KIMBERLY CLARK CORP
Form DEF 14A
March 11, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

Kimberly-Clark Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(3) Filing Party:

(4) Date Filed:

March 11, 2011

Thomas J. Falk
Chairman of the Board and
Chief Executive Officer

FELLOW STOCKHOLDERS:

It is my pleasure to invite you to the Annual Meeting of Stockholders of Kimberly-Clark Corporation. The meeting will be held on Thursday, April 21, 2011, at 9:00 a.m. at the Four Seasons Resort and Club, which is located at 4150 North MacArthur Boulevard, Irving, Texas.

At the Annual Meeting, stockholders will be asked to elect twelve directors for a one-year term, ratify the selection of Kimberly-Clark s independent auditors, approve the 2011 Outside Directors Compensation Plan, approve the 2011 Equity Participation Plan, approve the executive compensation program for our named executive officers, and approve the frequency of stockholder votes on our named executive officers compensation. These matters are fully described in the accompanying Notice of Annual Meeting and proxy statement.

Your vote is important. Regardless of whether you plan to attend the meeting, I urge you to vote your shares as soon as possible. You can vote by marking and dating the proxy form, by using the Internet or by telephone. Instructions regarding all methods of voting are contained on the proxy form.

Also provided is our annual report for 2010. My letter to stockholders, along with other information about Kimberly-Clark, has again been posted online in the Investors section of our website at www.kimberly-clark.com. Posting this information online is more cost-effective and consistent with our sustainability strategies.

Sincerely,

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KIMBERLY-CLARK CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD APRIL 21, 2011

The Annual Meeting of Stockholders of Kimberly-Clark Corporation will be held at the Four Seasons Resort and Club, 4150 North MacArthur Boulevard, Irving, Texas, on Thursday, April 21, 2011, at 9:00 a.m. for the following purposes:

1. To elect as directors the twelve nominees named in the accompanying proxy statement;

2. To ratify the selection of Deloitte & Touche LLP as our independent auditors for 2011;

3. To approve the 2011 Outside Directors Compensation Plan;

4. To approve the 2011 Equity Participation Plan;

5. To approve the executive compensation program for our named executive officers;

6. To approve the frequency of stockholder votes on our named executive officers compensation; and

7. To take action upon any other business that may properly come before the meeting or any adjournments of the meeting.

Stockholders of record at the close of business on February 22, 2011 are entitled to notice of and to vote at the meeting or any adjournments.

It is important that your shares be represented at the meeting. I urge you to vote promptly by using the Internet or telephone or by signing, dating and returning your proxy form.

The accompanying proxy statement also is being used to solicit voting instructions for shares of Kimberly-Clark common stock that are held by the trustees of our employee benefit and stock purchase plans for the benefit of the participants in the plans. It is important that participants in the plans indicate their preferences by using the Internet or telephone or by signing, dating and returning the voting instruction card, which is enclosed with the proxy statement, in the business reply envelope provided.

By Order of the Board of Directors.

John W. Wesley
Vice President and Secretary

P.O. Box 619100
Dallas, Texas 75261-9100
March 11, 2011

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PROXY STATEMENT

PART ONE
VOTING INFORMATION

On behalf of the Board of Directors of Kimberly-Clark Corporation, we are soliciting your proxy for use at the Annual Meeting of Stockholders and at any adjournment of the Annual Meeting. The important dates relating to the Annual Meeting are as follows:

Record Date = February 22, 2011. Stockholders of record as of the close of business on this date are entitled to vote at the Annual Meeting.

Mailing Date = March 11, 2011. This is the date on which we first began providing our stockholders with this proxy statement and form of proxy.

Meeting Date = April 21, 2011. This is the date of our Annual Meeting, which will begin at 9:00 a.m. at the Four Seasons Resort and Club located in Irving, Texas.

Notice of Electronic Availability of Proxy Statement and Annual Report

As permitted by rules of the Securities and Exchange Commission (SEC), we are making this proxy statement and our annual report available to our stockholders electronically via the Internet. We do this to reduce printing and delivery costs and in support of our sustainability efforts. The notice of electronic availability contains instructions on how to access this proxy statement and our annual report and vote online. If you received a notice by mail, you will not receive a printed copy of the proxy materials in the mail. Instead, the notice instructs you on how to access and review all of the important information contained in the proxy statement and annual report online. The notice also instructs you on how you may vote your proxy over the Internet or by telephone. If you received a notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions contained in the notice for requesting these materials.

Who May Vote

Each stockholder of record at the close of business on the record date will be entitled to one vote for each share registered in the stockholder s name. On that date 403,059,106 shares of our common stock were outstanding.

How You May Vote

You may vote in person by attending the meeting, by using the Internet or telephone, or (if you received printed proxy materials) by completing and returning a proxy form by mail. To vote your proxy using the Internet or telephone, see the instructions on the notice of electronic availability or the proxy form and have the notice or proxy form available when you access the Internet website or place your telephone call. To vote your proxy by mail, mark your vote on the proxy form, then follow the instructions on the card.

Please note that if you received a notice of electronic availability as described above, you cannot vote your shares by filling out and returning it. Instead, you should follow the instructions contained in the notice on how to vote.

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The named proxies will vote your shares according to your directions. **If you sign and return your proxy form, or if you vote using the Internet or by telephone, but do not specify how you want to vote your shares, the named proxies will vote your shares:**

For the election of directors named in this proxy statement

For ratification of the selection of our independent auditors

For approval of the 2011 Outside Directors Compensation Plan

For approval of the 2011 Equity Participation Plan

For approval of our executive compensation program for our named executive officers

For the option of every one year as the frequency with which stockholders are provided an advisory vote on compensation of our named executive officers

How You May Revoke or Change Your Vote

You may revoke your proxy before the time of voting at the meeting in any of the following ways:

By mailing a revised proxy form to the Secretary of Kimberly-Clark

By changing your vote on the Internet website

By using the telephone voting procedures

By voting in person at the meeting

Confidential Voting

Proxy forms are received by our independent proxy processing agent, and the vote is certified by independent Inspectors of Election. Proxy forms and ballots that identify the vote of stockholders and plan participants will be kept confidential, except as necessary to meet legal requirements, in cases where stockholders and participants request disclosure or write comments on their cards, or in a contested matter involving an opposing proxy solicitation. During the proxy solicitation period, we will receive daily tabulation reports from the independent proxy processing agent, but these reports provide only aggregate data. In addition, the agent may identify stockholders who fail to vote so that we may contact them and request they do so.

Costs of Solicitation

Kimberly-Clark will bear the cost of preparing, printing and delivering materials in connection with this solicitation of proxies, including the cost of the proxy solicitation and the expenses of brokers, fiduciaries and other nominees in forwarding proxy materials to beneficial owners. In addition to the use of mail and electronic delivery, solicitation may be made by telephone or otherwise by our employees. We have retained D. F. King & Co., Inc. to aid in the solicitation at a cost of approximately $17,000 plus reimbursement of out-of-pocket expenses.

Votes Required/Voting Procedures

A majority of the shares of our common stock, present in person or represented by proxy, will constitute a quorum for purposes of the Annual Meeting. The twelve nominees for director receiving a majority of the votes cast at the meeting in person or by proxy will be elected. If a nominee does not receive a majority of the votes cast, then the nominee will be subject to the Board s existing policy regarding resignations by directors who do not receive a majority of for votes. For approval, all other matters, except Proposal 6, require the affirmative vote of a majority of shares that are present at the Annual Meeting in person or by proxy and entitled to vote on that matter. With respect to Proposal 6, if none of the say-on-pay frequency options described in that proposal receive a majority of the votes cast, the option receiving the greatest number of votes will be considered the frequency recommended by the stockholders.

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Abstentions are treated as votes against a proposal, except for abstentions on Proposal No. 6, which will have no effect on the outcome of the proposal. Broker non-votes will not be considered present and entitled to vote. Generally, a broker non-vote occurs on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner of the shares, and instructions are not given.

Direct Stock Purchase and Dividend Reinvestment Plan

If a stockholder is a participant in our Direct Stock Purchase and Dividend Reinvestment Plan, the proxy form represents the number of full shares in the stockholder s account in the plan, as well as shares registered in the stockholder s name. Shares held in the plan may be voted in the same manner as other shares held by the stockholder.

Employee Benefit Plans

We also are sending or otherwise making this proxy statement and voting materials available to participants in various Kimberly-Clark employee benefit and stock purchase plans. The trustee of each plan, as the stockholder of record of the shares of our common stock held in the plans, will vote whole shares of stock attributable to each participant s interest in the plans in accordance with the directions the participant gives or, if no directions are given by the participant, in accordance with the directions of the respective plan committee.

Attending the Annual Meeting

Stockholders as of the record date, February 22, 2011, or their duly appointed proxies, may attend the Annual Meeting. If you plan to attend the meeting, please check your proxy form in the space provided or so indicate electronically or by telephone. This will assist us with meeting preparations and will help us to expedite your admittance. If your shares are not registered in your own name and you would like to attend the meeting, please ask the broker, trust, bank or other nominee that holds your shares to provide you with evidence of your share ownership, which will enable you to gain admission to the meeting.

To obtain directions to attend the meeting and vote in person, please contact Stockholder Services by telephone at (972) 281-1522 or by e-mail at stockholders@kcc.com.

Reducing Duplicate Mailings

Because many stockholders hold shares of our common stock in multiple accounts or share an address with other stockholders, stockholders may receive duplicate mailings of notices or proxy materials. Stockholders may avoid receiving duplicate mailings as follows:

Stockholders of Record. If your shares are registered in your own name and you are interested in consenting to the delivery of a single notice or proxy materials, you may contact Stockholder Services by mail at P.O. Box 612606, Dallas, Texas 75261-2606, by telephone at (972) 281-1522 or by e-mail at stockholders@kcc.com.

Beneficial Stockholders. If your shares are not registered in your own name, your broker, bank, trust or other nominee that holds your shares may have asked you to consent to the delivery of a single notice or proxy materials if there are other Kimberly-Clark stockholders who share an address with you. If you currently receive more than one copy of the notice or proxy materials at your household and would like to receive only one copy in the future, you should contact your nominee.

Right to Request Separate Copies. If you consent to the delivery of a single proxy statement and annual report but later decide that you would prefer to receive a separate copy of the notice or proxy materials, as applicable, for each stockholder sharing your address, then please notify us or your nominee, as applicable, and we or they will promptly deliver the additional notices or proxy materials. If you wish to receive a separate copy of the notice or proxy materials for each stockholder sharing your address in the future, you may also contact Stockholder Services by mail at P.O. Box 612606, Dallas, Texas 75261-2606, by telephone at (972) 281-1522 or by e-mail at stockholders@kcc.com.

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PART TWO
CORPORATE GOVERNANCE INFORMATION

Board of Directors and Board Committees

The Board of Directors met six times in 2010. All of the directors attended in excess of 75 percent of the total number of meetings of the Board and committees of the Board on which they served.

Although we do not have a formal policy with respect to director attendance at annual meetings, since 1997 all nominees and continuing directors have attended the annual meetings. All of our directors, except for Ms. Karch who was elected in June 2010, attended the 2010 Annual Meeting.

The standing committees of the Board include the Audit Committee, Management Development and Compensation Committee, Nominating and Corporate Governance Committee and Executive Committee. In compliance with applicable New York Stock Exchange (NYSE) corporate governance listing standards, the Board has adopted charters for the Audit, Management Development and Compensation, and Nominating and Corporate Governance Committees. These charters are available in the Investors section of our website at www.kimberly-clark.com.

Audit Committee

Dennis R. Beresford is the Chairman of our Audit Committee. The other members of this Committee are John R. Alm, John F. Bergstrom, Robert W. Decherd, Nancy J. Karch and Linda Johnson Rice. Ms. Karch was appointed to the Committee effective June 16, 2010. The Committee met ten times in 2010. In addition, Mr. Beresford participated in three conference calls as Chairman of the Committee to preview earnings press releases during 2010.

Each member of the Audit Committee is an Independent Director under the independence standards set forth in our Corporate Governance Policies. See Director Independence for additional information on Independent Directors.

Each member of the Audit Committee satisfies the financial literacy requirements of the NYSE, and the Board has determined that Mr. Beresford and Mr. Alm are audit committee financial experts under the rules and regulations of the SEC.

The principal functions of the Audit Committee, as specified in its charter, include the following:

- Overseeing:
  - the quality and integrity of our financial statements,
  - our compliance programs,
  - the independence, qualification and performance of our independent auditors, and
  - the performance of our internal auditors.
- Subject to stockholder ratification, selecting and engaging our independent auditors.

Reviewing the scope of the audits and audit findings, including any comments or recommendations of our independent auditors.

Establishing policy in connection with internal audit programs.

Pre-approving all audit and non-audit services provided by our independent auditors.

Providing oversight of our risk management program and receiving periodic reports from management on risk assessments, the risk management process and issues related to the risks of managing our business.

For additional information about the Audit Committee s oversight activities in 2010, see Part Three Proposals to be Voted on at the 2011 Annual Meeting Ratification of Auditors Audit Committee Report.

No member of the Audit Committee simultaneously serves on the audit committees of more than three public companies. If a member were to simultaneously serve on more than three public company audit committees, information regarding the Board s determination of whether this simultaneous service impairs the ability of the member to effectively serve on the Audit Committee will be available in the Investors section of our website at www.kimberly-clark.com.

Management Development and Compensation Committee

James M. Jenness is the Chairman of our Management Development and Compensation Committee. In addition to Mr. Jenness, the current members of this Committee are Abelardo E. Bru, Mae C. Jemison, M.D. and Ian C. Read. The Committee met seven times in 2010. Each member of this Committee is an Independent Director.

The principal functions of the Management Development and Compensation Committee, as specified in its charter, include the following:

- Establishing and administering the policies governing annual compensation and long-term compensation, including stock option awards, restricted stock awards and restricted share unit awards.

- Overseeing:

  - leadership development for senior management and future senior management candidates, and

  - key organizational effectiveness and engagement policies.

- Reviewing diversity and inclusion programs and related metrics.

- Annually reviewing our compensation policies and practices for the purpose of mitigating risks arising from these policies and practices that could reasonably have a material adverse effect.

Compensation Processes and Procedures

On an annual basis, the Committee reviews and sets the compensation of our elected officers, including all of our executive officers. The Committee s charter does not permit the Committee to delegate to anyone the authority to establish any compensation policies or programs for elected officers, including our executive officers. Our Chief Executive Officer has the authority to establish compensation programs for non-elected officers. Additionally, as discussed in Part Four Other Important Information Executive Compensation Compensation Discussion and Analysis, the Committee has delegated limited authority to our Chief Executive Officer to grant stock options, restricted stock and restricted share units to non-executive officers for recruiting or retention purposes.

Our Chief Executive Officer makes a recommendation to the Committee each year on the appropriate target direct annual compensation to be paid to our executive officers, excluding himself. The Committee makes the final determination of the target direct annual compensation to be awarded to each executive officer, including our Chief Executive Officer. While our Chief Executive Officer and Chief Human Resources Officer typically attend Committee meetings, none of the other executive officers is present during the portion of the Committee s meetings when compensation for executive officers is set. In addition, our Chief Executive Officer is not present during the portion of the Committee s meetings when his compensation is set.

For additional information on the Committee s processes and procedures for determining executive compensation, and for a detailed discussion of our compensation policies, see Part Four Other Important Information Executive Compensation Compensation Discussion and Analysis.

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Use of Compensation Consultants

The Committee s charter provides that the Committee has the authority to retain advisors, including compensation consultants, to assist the Committee in its work. The Committee believes that compensation consultants can provide important market information and perspectives that can help the Committee determine compensation programs that best meet the objectives of our compensation policies.

Kimberly-Clark Consultant. To assist management and the Committee in assessing and determining appropriate, competitive compensation for our executive officers, we annually engage an outside compensation consultant. In 2010, Mercer Human Resource Consulting (Mercer) was retained for this purpose. Mercer has provided consulting services to Kimberly-Clark on a wide variety of human resources and compensation matters, both at the officer and non-officer levels. In 2010, Mercer was retained by Kimberly-Clark to provide advice and counsel regarding executive and director remuneration matters on an ongoing basis, including the following services in connection with our executive compensation program:

- Assessing market compensation levels for executive officer positions and other selected positions, within our peer group.
- Reviewing historic and projected performance for peer group companies for metrics used by Kimberly-Clark in our annual and long-term incentive plans.
- Assisting in incentive plan design and modifications, as requested.
- Providing market research on various issues as requested by management.
- Preparing for and participating in Committee meetings, as requested.
- Reviewing the Compensation Discussion and Analysis and other disclosures, as requested.
- Consulting with management on compensation matters.

Independent Committee Consultant. The Committee has also retained The Delves Group as its independent executive compensation consultant. The Committee has adopted a written policy providing that the independent Committee consultant may provide services only to the Committee and not to Kimberly-Clark. The Delves Group has no other business relationship with Kimberly-Clark and receives no payments from us other than fees for services to the Committee. The Delves Group reports directly to the Committee, and the Committee may replace The Delves Group or hire additional consultants at any time. A representative of the Delves Group attends Committee meetings and communicates with the Chairman of the Committee between meetings from time to time.

The Committee instructed The Delves Group to provide an independent review of the data and recommendations provided by management and Mercer. The scope of The Delves Group s engagement in 2010 included:

- Conducting a review of the competitive market data (including base salary, annual incentive targets and long-term incentive targets) for our executive officers, including our Chief Executive Officer.
- Reviewing and commenting on recommendations by management and Mercer concerning executive compensation programs, including program changes and redesign, special awards, change of control provisions, executive contract provisions, promotions, retirement and related items, as desired by the Committee.

Reviewing and commenting on the Committee s report for the proxy statement.

Attending Committee meetings.

Periodically consulting with the Chairman of the Committee.

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During 2010, at the request of the Committee, Don Delves, the President of The Delves Group, attended all but one of the in-person Committee meetings and attended all teleconference Committee meetings.

Committee Report

The Committee has reviewed the Compensation Discussion and Analysis section of this proxy statement and has recommended that it be included in this proxy statement. The Committee s report is located at Part Four Other Important Information Executive Compensation Management Development and Compensation Committee Report.

Nominating and Corporate Governance Committee

G. Craig Sullivan is the Chairman of our Nominating and Corporate Governance Committee. In addition to Mr. Sullivan, the current members of this Committee are Abelardo E. Bru, Mae C. Jemison, M.D. and Ian C. Read. The Committee met six times in 2010. Each member of this Committee is an Independent Director.

The principal functions of the Nominating and Corporate Governance Committee, as specified in its charter, include the following:

- Overseeing the process by which individuals are nominated to become Board members.
- Overseeing matters of corporate governance, including developing and recommending to the Board changes to our Corporate Governance Policies.
- Advising the Board on:
  - Board organization, membership, function, performance and compensation,
  - committee structure and membership, and
  - policies and positions regarding significant stockholder relations issues.
- Reviewing director independence standards and making recommendations to the Board with respect to the determination of the independence of directors.
- Monitoring and recommending improvements to the practices and procedures of the Board.
- Reviewing stockholder proposals and considering responses or actions regarding these proposals.

The Nominating and Corporate Governance Committee, in accordance with its charter and our Certificate of Incorporation, has established criteria and processes for director nominees, including nominations proposed by stockholders. Those criteria and processes are described in Director Nominee Criteria and Process and Stockholder Nominations for Directors.

Executive Committee

Marc J. Shapiro is the Chairman of our Executive Committee. In addition to Mr. Shapiro, the current members of this Committee are Dennis R. Beresford, Thomas J. Falk, James M. Jenness and G. Craig Sullivan. The Committee did not meet in 2010.

The principal function of the Executive Committee is to exercise the powers of the Board to direct our business and affairs between meetings of the Board.

Compensation Committee Interlocks and Insider Participation

None of the members of the Management Development and Compensation Committee is a current or former officer or employee of Kimberly-Clark. No interlocking relationship exists between the members of our Board of Directors or the Management Development and Compensation Committee and the board of directors or compensation committee of any other company.

Director Independence

Since 1996, our By-Laws have provided that a majority of our directors be independent directors (Independent Directors). In addition, our Corporate Governance Policies adopted by the Board provide independence standards consistent with the rules and regulations of the SEC and the listing standards of the NYSE. Our Corporate Governance Policies are available in the Investors section of our website at www.kimberly-clark.com, and the independence standards are set forth in Section 17 of our Corporate Governance Policies.

The nominees for director are such that immediately after the election of the nominees to the Board, eleven of the twelve directors holding office will be Independent Directors. Our independent Board helps ensure good corporate governance and strong internal controls. We are in compliance with all corporate governance requirements of the NYSE, the SEC, the Sarbanes-Oxley Act of 2002 and the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act) that have become effective as of the filing of this proxy statement.

The Board has determined that all directors and nominees, except for Thomas J. Falk, are Independent Directors and meet the independence standards set forth in our Corporate Governance Policies. When making these determinations, the Board considered the following:

We made charitable contributions of $65,000 in 2008, $55,000 in 2009, and $60,000 in 2010 to the Fox Cities Performing Arts Center in Appleton, Wisconsin, where Mr. Bergstrom is a director. We have significant operations and a significant number of employees in the Fox Cities area of Wisconsin.

Companies majority-owned by Mr. Bergstrom paid us approximately $58,000 in 2008, $56,000 in 2009 and $50,000 in 2010 to lease excess hangar space at an airport near Appleton, Wisconsin and approximately $172,000 in 2008, $174,000 in 2009 and $170,000 in 2010 for pilot services pursuant to a pilot sharing contract. In addition, these companies paid us approximately $169,000 in 2008, $177,000 in 2009 and $191,000 in 2010 for scheduling and aircraft services for their airplane.

We paid approximately $65,000 in 2008, $2,800 in 2009 and $77,300 in 2010 for automobiles and related services to car dealerships in the Neenah, Wisconsin area that are majority-owned by Mr. Bergstrom.

We made a charitable contribution of $50,000 in each of 2008, 2009 and 2010 to the Education is Freedom Foundation, where Mr. Bru is a director.

We made charitable contributions of $25,000 in 2008, $26,000 in 2009 and $25,000 in 2010 to the United Negro College Fund, where Ms. Johnson Rice is a director.

We purchased advertising totaling $395,000 in 2008 and $160,000 in 2010 from entities owned directly or indirectly by Johnson Publishing Company, Inc., where Ms. Johnson Rice is Chairman. This amount constituted less than five percent of the gross revenues of Johnson Publishing Company, Inc., for 2010.

We paid approximately $697,000 in 2008, $505,000 in 2009 and $531,000 in 2010 to JPMorgan Chase & Co. (JPMC) for investment banking services. Mr. Shapiro serves as a consultant to JPMC and as non-executive Chairman of its Texas operations. We do not believe his relationship with JPMC gives him a direct or indirect material interest in our transactions with JPMC.

The amount involved in each of these items is less than the amounts established by the NYSE and our Corporate Governance Policies as potentially affecting a director s independence.

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Director Nominee Criteria and Process

The Board of Directors is responsible for approving candidates for Board membership. The Board has delegated the screening and recruitment process to the Nominating and Corporate Governance Committee, in consultation with the Chairman of the Board and Chief Executive Officer and Lead Director. The Nominating and Corporate Governance Committee believes that the criteria for director nominees should ensure effective corporate governance, support our strategies and businesses, include consideration of diversity, account for individual director attributes and the effect of the overall mix of those attributes on the Board s effectiveness and support the successful recruitment of qualified candidates for the Board.

Qualified candidates for director are those who, in the judgment of the Nominating and Corporate Governance Committee, possess all of the personal attributes and a sufficient mix of the experience attributes listed below to ensure effective service on the Board.

Personal Attributes

Leadership: lead in personal and professional lives

Ethical character: possess high standards for ethical behavior

Collaborative: actively participate in Board and committee matters

Independence: for non-management directors, are independent of management and Kimberly-Clark

Ability to communicate: possess good interpersonal skills

Effectiveness: bring a proactive and solution-oriented approach

Experience Attributes

Financial acumen: have good knowledge of business finance and financial statements

General business experience: possess experience that will aid in judgments concerning business issues

Industry knowledge: possess reasonable knowledge about our industries

Diversity of background and viewpoint: bring to the Board an appropriate level of diversity

Special business experience: possess global management experience and experience with branded consumer packaged goods

Other attributes: provide special attributes identified as needed or as may be required

The Nominating and Corporate Governance Committee may receive recommendations for Board candidates from various sources, including our directors, management and stockholders. In addition, the Nominating and Corporate Governance Committee has retained a search firm to assist it in identifying and recruiting director candidates meeting the criteria specified by the Committee.

The Nominating and Corporate Governance Committee recommends nominees to the Board to fill any vacancies. As provided in our Certificate of Incorporation, the Board elects a new director when a vacancy occurs between annual meetings of stockholders. The Nominating and Corporate Governance Committee also recommends to the Board any new appointments and nominees for election as directors at our annual meeting of stockholders, as well as assesses the performance of each director at least once every three years in accordance with our Corporate Governance Policies.

Committee Review of Attributes of Current Directors

The Nominating and Corporate Governance Committee has reviewed the background of each of our current directors and his or her service on the Board and committees on which he or she serves, based on the personal and experience attributes described above. The Committee has determined that each

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director possesses all of the personal attributes, as well as a sufficient mix of the experience attributes. For the experience attributes, the Committee considered the following:

Financial acumen:

Satisfies the financial literacy requirements of the NYSE

Qualifies as an audit committee financial expert under the rules and regulations of the SEC

Has an accounting, finance or banking background

Industry knowledge:

Possesses knowledge about our industries

Special business experience:

Has international experience

Has branded consumer packaged goods experience

Has health care experience

General business experience:

Has leadership experience as a chief executive officer or as a senior executive officer

Diversity of background and viewpoint:

Brings a diverse viewpoint that is representative of our customer, consumer, employee and stockholder base

Provides a different perspective (stemming, for example, from an academic background or experience from outside the consumer packaged goods or health care industries)

Other attributes:

Has marketing experience

Has compensation experience (including from executive officer experience)

Has governance/public company board experience

The Committee has identified specific experience attributes for each director, based on the list above. See Certain Information Regarding Directors and Nominees for information regarding these specific attributes.

Diversity of Directors

As noted above, the Nominating and Corporate Governance Committee believes that diversity of backgrounds and viewpoints is a key attribute for directors. As a result, the Committee seeks to have a diverse Board that is representative of its customer, consumer, employee and stockholder base. While the Committee carefully considers this diversity when considering nominees for director, the Committee has not established a formal policy regarding diversity in identifying director nominees.

Stockholder Nominations for Directors

The Nominating and Corporate Governance Committee considers nominees recommended by stockholders as candidates for election to the Board of Directors. A stockholder wishing to nominate a candidate for election to the Board at an annual meeting of stockholders is required to give written notice to the Secretary of Kimberly-Clark of the stockholder s intention to make a nomination in accordance with our Certificate of Incorporation and By-Laws. The notice of nomination must be received by us not less than 75 days nor more than 100 days prior to the stockholders meeting, or if we give less than 75 days notice of the meeting date, the notice of nomination must be received within 10 days after the meeting date is announced. The notice of nomination is required to contain information, as set forth in our Certificate of Incorporation and By-Laws, about both the nominee and the stockholder making the nomination, including information sufficient to allow the Nominating and Corporate Governance Committee to determine if the candidate meets the director nominee criteria described above. The notice must also contain information about certain stock holdings of the nominee and the stockholder making the nomination, including derivative holdings, dividend rights that are separated from or separable from the underlying shares and certain performance-related fees, as well as information that would be required to be disclosed in connection with a proxy solicitation (and whether a proxy solicitation will be conducted). The notice is also required to contain information about certain related person transactions, contact and related information

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regarding the nominee, understandings regarding the nomination of the nominee and the nominee s consent to be nominated. We may require that the proposed nominee furnish other information to determine that person s eligibility to serve as a director. A nomination that does not comply with the requirements set forth in our Certificate of Incorporation and By-Laws will not be considered for presentation at the annual meeting, but will be considered by the Nominating and Corporate Governance Committee for any vacancies arising on the Board between annual meetings in accordance with the process described in Director Nominee Criteria and Process.

Communications to Directors

The Board has established a process by which stockholders and other interested parties may communicate with the Board, including the Lead Director. That process can be found in the Investors section of our website at www.kimberly-clark.com.

Board Leadership Structure

The Board has established a leadership structure in which responsibilities are allocated between the Chairman of the Board and Chief Executive Officer and the Lead Director. The Board believes this allocation of responsibilities between these two positions provides for dynamic Board leadership while maintaining strong independence and is therefore an effective and appropriate leadership structure.

Chairman of the Board and Chief Executive Officer Positions. Mr. Falk serves as Chairman of the Board and Chief Executive Officer. As noted in our Corporate Governance Policies, the Board believes that it is appropriate for a single person to serve in both positions. The Board has the discretion to separate the roles in the future if it deems it advisable and in the best interest of Kimberly-Clark to do so.

Lead Director. Mr. Shapiro served as Lead Director in 2010. The Lead Director serves as Chairman of the Executive Committee. Our Corporate Governance Policies outline the role and responsibilities of the Lead Director, which include coordinating the activities of the Independent Directors, providing input with regard to agendas and schedules for Board meetings, leading (with the Chairman of the Nominating and Corporate Governance Committee) the annual Board evaluation discussion, leading (with the Chairman of the Management Development and Compensation Committee) the Board s review and discussion of the Chief Executive Officer s performance, providing feedback to individual directors following their periodic evaluations, speaking on behalf of the Board and chairing Board meetings when the Chairman of the Board is unable to do so and acting as a direct conduit to the Board for stockholders, employees and others pursuant to policies adopted by the Board.

The Lead Director also chairs executive session meetings of non-management directors. The non-management directors meet in executive session without the presence of management at least quarterly.

Other Corporate Governance Matters

Corporate Governance Policies. The Board of Directors adopted Corporate Governance Policies in 1994, which have been amended from time to time in accordance with changes in rules and regulations and developing governance practices. These policies guide Kimberly-Clark and the Board on matters of corporate governance, including director responsibilities, Board committees and their charters, director independence, director compensation and performance assessments, director orientation and education, director access to management, Board access to outside financial, business and legal advisors, and management development and succession planning. These policies, which include our director independence standards, are available in the Investors section of our website at www.kimberly-clark.com.

Code of Conduct. Kimberly-Clark has a Code of Conduct that applies to all of our directors, executive officers and employees, including our Chief Executive Officer, Chief Financial Officer and Vice President and Controller. Our Code of Conduct is available in the Investors section of our website at www.kimberly-clark.com. Any amendments to or waivers of our Code of Conduct applicable to our Chief Executive Officer, Chief Financial Officer or Vice President and Controller will be posted at that location.

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Board and Management Roles in Risk Oversight. The Board is responsible for providing risk oversight with respect to our operations. In connection with this oversight, the Board particularly focuses on our strategic and operating risks, as well as related risk mitigation. In addition, the Board reviews and oversees management s response to key risks facing Kimberly-Clark as we implement our Global Business Plan, which provides a long-term roadmap for our overall strategic direction, business operations and finances. The Board s committees review particular risk areas to assist the Board in its overall risk oversight of Kimberly-Clark:

The Audit Committee oversees our risk management program, and has a particular focus on our internal controls, financial statement integrity and fraud risks, and related risk mitigation. In connection with this oversight, the Audit Committee receives regular reports from management on risk assessments, the risk management process and issues related to the risks of managing our business. The Audit Committee also receives an annual enterprise risk management update, which discusses our key financial, strategic, operational and compliance risks.

The Management Development and Compensation Committee reviews the risk profile of our compensation policies and practices. This process includes a review of an assessment of our compensation programs, as described in Executive Compensation Analysis of Risks Arising from Design of Compensation Programs.

The Nominating and Corporate Governance Committee monitors risks relating to governance matters and recommends appropriate actions in response to those risks.

Complementing the Board s overall risk oversight, our senior executive team identifies and monitors key enterprise-wide and business unit risks, providing the basis for the Board s risk review and oversight process. Our Global Risk Oversight Committee, consisting of management members from key business units, finance, treasury, information technology, global risk management and legal, identifies key risks for review and updates our policies in risk management areas such as hedging, foreign currency and country risks, property and casualty risks, and supplier and customer risks.

The Board believes these respective roles complement the Board s leadership structure described above, including the combination of the Chairman of the Board and Chief Executive Officer positions.

Committee Authority to Retain Independent Advisors. Each of the Audit, Management Development and Compensation, and Nominating and Corporate Governance Committees has the authority to retain independent advisors and consultants, with all fees and expenses to be paid by Kimberly-Clark.

Whistleblower Procedures. The Audit Committee has established procedures for the receipt, retention and treatment of complaints we receive regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by our employees and others of concerns regarding questionable accounting or auditing matters. We also maintain a toll-free Code of Conduct telephone line that allows our employees and others to voice their concerns anonymously. The whistleblower procedures and information on how to access our Code of Conduct telephone line are available in the Investors section of our website at www.kimberly-clark.com.

Chief Compliance Officer. Thomas J. Mielke is the Senior Vice President Law and Government Affairs and Chief Compliance Officer and oversees our compliance programs. He reports to the Audit Committee on the programs effectiveness, provides periodic reports to the Board and works closely with our various compliance functions to provide coordination and sharing of best practices across the compliance groups.

Management Succession Planning. The Management Development and Compensation Committee is responsible for reviewing management development plans and succession plans to ensure business continuity. In addition, the Board has overall responsibility for leadership succession for Kimberly-Clark s most senior officers and reviews both routine and emergency succession plans.

Disclosure Committee. We have established a Disclosure Committee composed of members of management and chaired by our Vice President and Controller to assist in fulfilling our obligations to

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maintain disclosure controls and procedures and to coordinate and oversee the process of preparing our periodic securities filings with the SEC.

No Executive Loans. We do not extend loans to our executive officers or directors and do not have any such loans outstanding.

Stockholder Rights Plan. The Board has adopted the following policy statement on stockholder rights plans:

Kimberly-Clark does not have a poison pill or stockholder rights plan. If Kimberly-Clark were to adopt a stockholder rights plan, the Board would seek prior stockholder approval of the plan unless, due to timing constraints or other reasons, a majority of Independent Directors of the Board determines that it would be in the best interests of stockholders to adopt a plan before obtaining stockholder approval. If a stockholder rights plan is adopted without prior stockholder approval, the plan must either be ratified by stockholders or must expire, without being renewed or replaced, within one year. The Nominating and Corporate Governance Committee shall review this policy statement periodically and report to the Board on any recommendations it may have concerning the policy.

Annual Election of Directors. Our Certificate of Incorporation provides that directors are elected on an annual basis. Our Certificate of Incorporation is available in the Investors section of our website at www.kimberly-clark.com.

Majority Voting for Election of Directors. Our By-Laws provide that, in uncontested elections, directors will be elected by a majority vote rather than by a plurality. If an incumbent director does not receive a majority of votes, the director is required to tender his or her resignation for consideration by the Board. Our By-Laws are available in the Investors section of our website at www.kimberly-clark.com.

Simple Majority Voting Provisions. In 2008, stockholders approved an amendment to our Certificate of Incorporation to eliminate supermajority voting provisions.

Special Stockholder Meetings. In 2009, stockholders approved an amendment to our Certificate of Incorporation to allow the holders of not less than 25 percent of our issued and outstanding shares of capital stock to request that a special meeting of stockholders be called, subject to procedures set forth in our By-Laws.

Charitable Contributions. The Nominating and Corporate Governance Committee has adopted guidelines for review and approval of charitable contributions by us and any foundation we control to organizations or entities with which a member of the Board of Directors or an executive officer is or may be affiliated. Any contributions made by us to any tax-exempt organization in which any Independent Director serves as an executive officer will be disclosed in the Investors section of our website at www.kimberly-clark.com, if within the preceding three years contributions in any single year from us to the organization exceeded the greater of $1 million or 2 percent of the tax-exempt organization s consolidated gross revenues.

PART THREE
PROPOSALS TO BE VOTED ON AT THE 2011 ANNUAL MEETING

PROPOSAL 1. ELECTION OF DIRECTORS

General Information

As of the date of this proxy statement, the Board of Directors consists of thirteen members, including Nancy J. Karch who was elected to the Board by the Board of Directors as of June 16, 2010. Each director s term expires at this year s Annual Meeting.

All the nominees for director set forth on the following pages are proposed to be elected at this year s Annual Meeting to serve for a term to expire at the 2012 Annual Meeting of Stockholders and until their successors have been duly elected and qualified. Should any nominee become unable to serve, proxies may be voted for another person designated by the Board. All nominees have advised us that they will serve if elected.

In accordance with our Corporate Governance Policy on Outside Director retirement age, Dennis R. Beresford has announced that he does not intend to stand for re-election to the Board of Directors when his current term expires at the Annual Meeting of Stockholders on April 21, 2011. Mr. Beresford will continue to serve as a director until the Annual Meeting. We would like to thank Mr. Beresford for his years of service and many contributions to Kimberly-Clark.

Certain Information Regarding Nominees for Director

The names of the nominees, their ages as of the date of the Annual Meeting, the year they first became directors, their principal occupations during at least the past five years, other public company directorships held by them as of February 18, 2011, public company boards they have served on since January 1, 2006, information regarding director attributes the Nominating and Corporate Governance Committee determined qualify them to serve as directors and certain other biographical information are set forth below. See Committee Review of Attributes of Current Directors for a discussion of director attributes considered by the Nominating and Corporate Governance Committee.

John R. Alm, *65, Director since 2006*

Retired President and Chief Executive Officer, Coca-Cola Enterprises Inc.

Mr. Alm retired as President and Chief Executive Officer of Coca-Cola Enterprises Inc., a beverage company, in 2005. He had been Chief Executive Officer since 2004 and President and Chief Operating Officer since 2000. Mr. Alm joined Coca-Cola Enterprises Inc. in 1992 and held the position of Chief Financial Officer until 2000.

Public company boards served on since 2006: Washington Group International, Inc. (February 2006 through November 2007).

Experience attributes: Mr. Alm has been determined to be an audit committee financial expert under the SEC s rules and regulations, has leadership experience as a chief executive officer, has knowledge about our industries, has international experience and experience with branded consumer packaged goods, and has marketing, compensation, governance and public company board experience.

John F. Bergstrom, *64, Director since 1987*

Chairman and Chief Executive Officer, Bergstrom Corporation

Mr. Bergstrom has served as Chairman and Chief Executive Officer of Bergstrom Corporation, Neenah, Wisconsin, for more than the past five years. Bergstrom Corporation owns and operates automobile sales and leasing businesses and a credit life insurance company based in Wisconsin.

Public company boards served on since 2006: Advance Auto Parts, Inc. (since May 2008), Associated Banc-Corp (since December 2010), Banta Corporation (through January 2007), Midwest Air Group, Inc. (through June 2007), Sensient Technologies Corp. (through April 2006), Wisconsin Energy Corporation and Wisconsin Electric Power Company.

Experience attributes: Mr. Bergstrom satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, provides diversity of background and viewpoint, and has marketing, compensation, governance and public company board experience.

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Abelardo E. Bru, *62, Director since 2005*

Retired Vice Chairman, PepsiCo, Inc.

Mr. Bru retired as Vice Chairman of PepsiCo, a food and beverage company, in 2005. He joined PepsiCo in 1976. Mr. Bru served from 1999 to 2003 as President and Chief Executive Officer and in 2003 to 2004 as Chief Executive Officer and Chairman of Frito-Lay Inc., a division of PepsiCo. Prior to leading Frito-Lay, Mr. Bru led PepsiCo s largest international business, Sabritas Mexico, as President and General Manager from 1992 to 1999. Mr. Bru is a member of the board of directors of the Education is Freedom Foundation.

Public company boards served on since 2006: Office Depot, Inc. (through December 2008).

Experience attributes: Mr. Bru satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, has knowledge about our industries, provides diversity of background and viewpoint, has international experience and experience with branded consumer packaged goods, and has marketing, compensation, governance and public company board experience.

Robert W. Decherd, *60, Director since 1996*

Chairman of the Board, President and Chief Executive Officer, A. H. Belo Corporation

Mr. Decherd has served as Chairman of the Board, President and Chief Executive Officer of A. H. Belo Corporation, a newspaper publishing and Internet company, since it was spun off from Belo Corp. in February 2008. Prior to February 2008, Mr. Decherd was Chief Executive Officer of Belo Corp., a broadcasting and newspaper publishing company, for 21 years. Mr. Decherd is a member of the Advisory Council for the Harvard University Center for Ethics and the Board of Visitors of the Columbia Graduate School of Journalism. During the past decade, he has held appointments to Presidential and Federal Communications Commissions concerned with public policy matters related to the media industry.

Public company boards served on since 2006: A. H. Belo Corporation (since February 2008) and Belo Corp.

Experience attributes: Mr. Decherd satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, provides diversity of background and viewpoint, and has marketing, compensation, governance and public company board experience.

Thomas J. Falk, *52, Director since 1999*

Chairman of the Board and Chief Executive Officer

Mr. Falk was elected Chairman of the Board and Chief Executive Officer in 2003 and President and Chief Executive Officer in 2002. Prior to that, he served as President and Chief Operating Officer since 1999. Mr. Falk previously had been elected Group President Global Tissue, Pulp and Paper in 1998, where he was responsible for Kimberly-Clark s global tissue businesses. Earlier in his career, Mr. Falk had responsibility for Kimberly-Clark s North American Infant Care, Child Care and Wet Wipes businesses. Mr. Falk joined Kimberly-Clark in 1983 and has held other senior management positions. He has been a director of Kimberly-Clark since 1999. He also serves on the board of directors of Catalyst Inc. and the University of Wisconsin Foundation, and serves as a governor of the Boys & Girls Clubs of America.

Public company boards served on since 2006: Centex Corporation (through August 2009) and Lockheed Martin Corporation (since June 2010).

Experience attributes: Mr. Falk satisfies the financial literacy requirements of the NYSE and has a background in accounting, has leadership experience as a chief executive officer, has knowledge about

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our industries, has international experience and experience with branded consumer packaged goods, and has marketing, compensation, governance and public company board experience.

Mae C. Jemison, M.D., *54, Director since 2002*

President, BioSentient Corporation

Dr. Jemison is founder and President of The Jemison Group, Inc., a technology consulting company, and BioSentient Corporation, a medical devices company. She chairs The Earth We Share international science camp. Dr. Jemison served as a professor of Environmental Studies at Dartmouth College from 1995 to 2002. From 1987 to 1993, she served as a National Aeronautics and Space Administration (NASA) astronaut. Dr. Jemison serves on the board of directors of The Dorothy Jemison Foundation for Excellence and is a member of the National Academy of Sciences Institute of Medicine. She is also the Chairman of the State of Texas Product Development and Small Business Incubator Board, and she is a member of the National Advisory Council for Biomedical Imaging and Bioengineering, the Greater Houston Partnership Board of Directors, and the Board of Trustees of Morehouse College.

Public company boards served on since 2006: Gen-Probe Incorporated (through November 2007), Scholastic Corporation and Valspar Corporation.

Experience attributes: Dr. Jemison satisfies the financial literacy requirements of the NYSE, has knowledge about our industries, has international experience and leadership experience of entrepreneurial start-up enterprises and non-profit organizations, provides diversity of background and viewpoint, has experience in the health care field, and has compensation, governance and public company board experience.

James M. Jenness, *64, Director since 2007*

Chairman of the Board, Kellogg Company

Mr. Jenness was elected Chairman of the Board of Kellogg Company, a producer of cereal and convenience foods, in 2005. He also served as Chief Executive Officer of Kellogg from 2004 through 2006. Mr. Jenness was Chief Executive Officer of Integrated Merchandising Systems LLC, a market leader in outsource management for retail promotion and branded merchandising, from 1997 to 2004. He served in various positions of increasing responsibility at Leo Burnett Company, Kellogg s major advertising agency partner, from 1974 to 1997, including as Vice Chairman, Chief Operating Officer and Director. He is a senior director of Children s Memorial Hospital and a director of Mercy Home for Boys and Girls. He also serves on the DePaul University College of Commerce Advisory Council, is Vice Chairman of DePaul s Board of Trustees and is co-trustee of the W. K. Kellogg Foundation Trust.

Public company boards served on since 2006: Kellogg Company.

Experience attributes: Mr. Jenness satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, has knowledge about our industries, has international experience and experience with branded consumer packaged goods, and has marketing, compensation, governance and public company board experience.

Nancy J. Karch, *63, Director since 2010*

Retired Director, McKinsey & Co.

Ms. Karch served as a Director (senior partner) of McKinsey & Co., an independent consulting firm, from 1988 until her retirement in 2000. She had served in various executive capacities at McKinsey since 1974. Ms. Karch is Director Emeritus of McKinsey s Stamford, Connecticut office, and serves on the board and the executive committee of the Westchester Land Trust and on the board of Northern Westchester Hospital.

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Public company boards served on since 2006: The Corporate Executive Board Company, Genworth Financial, Inc., Liz Claiborne, Inc. and Mastercard Incorporated (since January 2007).

Experience attributes: Ms. Karch satisfies the financial literacy requirements of the NYSE and has a background in finance, has leadership experience as a senior executive officer, provides diversity of background and viewpoint, has knowledge about our industries, has experience with branded consumer packaged goods, and has compensation, governance and public company board experience.

Ian C. Read, *57, Director since 2007*

President and Chief Executive Officer, Pfizer, Inc.

Mr. Read has served as President and Chief Executive Officer of Pfizer, Inc., a drug manufacturer since December 2010. Mr. Read joined Pfizer in 1978 in its financial organization. He worked in Latin America through 1995, holding positions of increasing responsibility, and was appointed President of the Pfizer International Pharmaceuticals Group, Latin America/Canada in 1996. In 2000, Mr. Read was named Executive Vice President of Europe/Canada and was named a corporate Vice President in 2001. In 2006, he was named Senior Vice President of Pfizer, as well as Group President of its Worldwide Biopharmaceutical Businesses.

Public company boards served on since 2006: Pfizer, Inc. (since December 2010).

Experience attributes: Mr. Read satisfies the financial literacy requirements of the NYSE and has a background in finance, has leadership experience as a chief executive officer, has knowledge about our industries, has international experience and experience in the health care field, and has marketing, compensation, governance and public company board experience.

Linda Johnson Rice, *53, Director since 1995*

Chairman, Johnson Publishing Company, Inc.

Ms. Johnson Rice has served as Chairman of Johnson Publishing Company, Inc., a multi-media company, since 2010. She also served as Chief Executive Officer from 2008 to 2010. She joined Johnson Publishing Company in 1980, became Vice President in 1985, and served as President and Chief Operating Officer from 1987 to 2008.

Public company boards served on since 2006: Bausch & Lomb Incorporated (through October 2007), MoneyGram International, Inc. (through March 2008) and Omnicom Group, Inc.

Experience attributes: Ms. Johnson Rice satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, provides diversity of background and viewpoint, has international experience, and has marketing, compensation, governance and public company board experience.

Marc J. Shapiro, *63, Director since 2001*

Retired Vice Chairman, JPMorgan Chase & Co.

Mr. Shapiro retired in 2003 as Vice Chairman of JPMorgan Chase & Co., a financial services company. Before becoming Vice Chairman of JPMorgan Chase & Co. in 1997, Mr. Shapiro was Chairman, President and Chief Executive Officer of Chase Bank of Texas, a wholly-owned subsidiary of JPMorgan Chase & Co., from 1989 until 1997. He now serves as a consultant to JPMorgan Chase & Co. as a non-executive Chairman of its Texas operations.

Mr. Shapiro serves as Chairman of the Board of Baylor College of Medicine and on the boards of M.D. Anderson Cancer Center, the Baker Institute, Texas Medical Center, Menninger Clinic and BioHouston.

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Public company boards served on since 2006: Burlington Northern Santa Fe Corporation (through February 2010), The Mexico Fund (since March 2006) and Weingarten Realty Trust.

Experience attributes: Mr. Shapiro satisfies the financial literacy requirements of the NYSE and has a banking and finance background, has leadership experience as a chief executive officer, provides diversity of background and viewpoint, and has compensation, governance and public company board experience.

G. Craig Sullivan, *71, Director since 2004*

Retired Chairman and Chief Executive Officer, The Clorox Company

Mr. Sullivan retired as Chairman and Chief Executive Officer of The Clorox Company, a consumer products company, in 2003. He joined The Clorox Company in 1971 and held a number of senior sales and management positions during his career, culminating in his election as Chief Executive Officer and Chairman of the Board in 1992. Mr. Sullivan serves on the capital campaign committee for St. Anthony s Foundation in San Francisco and is a member of Hoover Institution s Board of Overseers.

Public company boards served on since 2006: The Goodyear Tire & Rubber Company (since April 2006) and Mattel, Inc.

Experience attributes: Mr. Sullivan satisfies the financial literacy requirements of the NYSE, has leadership experience as a chief executive officer, has knowledge about our industries, has international experience and experience with branded consumer packaged goods, and has marketing, compensation, governance and public company board experience.

Compensation of Directors

2010 Compensation. Directors who are not officers or employees of Kimberly-Clark or any of our subsidiaries, affiliates or equity companies are Outside Directors for compensation purposes. Outside Directors are compensated for their services under our Outside Directors Compensation Plan, which we adopted in 2001. We are proposing that the term of the Outside Directors Compensation Plan be extended through April 20, 2021. See Proposal 3. Approval of the 2011 Outside Directors Compensation Plan.

Our objectives for Outside Director compensation are to remain competitive with the compensation paid to outside directors of comparable companies, to keep pace with changes in practices in director compensation, to attract qualified candidates for Board service and to reinforce our practice of encouraging stock ownership by our directors. In 2008, to assist the Nominating and Corporate Governance Committee in assessing and determining appropriate, competitive Outside Director compensation, the Committee engaged Mercer, an outside compensation consultant. Based on that assessment, in 2008 the Committee recommended to the Board, and the Board approved, the Outside Director compensation for 2009 and 2010.

In 2010, each Outside Director received:

- An annual cash retainer of $85,000 payable quarterly in advance; and
- An annual grant of restricted share units with a value of $140,000, effective the first business day of the year.

Outside Directors who join the Board during a calendar year receive the full quarterly amount of the annual retainer for the quarter in which they join the Board and each quarter thereafter, and a pro-rated grant of restricted share units.

Outside Directors who were also chairmen of the Audit, Management Development and Compensation and Nominating and Corporate Governance Committees each received an additional grant of restricted share units with a value of $20,000, and the Lead Director received an additional grant of

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restricted share units with a value of $30,000. In addition, we reimbursed Outside Directors for expenses incurred as a result of attending Board or committee meetings.

Restricted share units are not shares of our common stock. Rather, restricted share units represent the right to receive an amount, payable in shares of our common stock, equal to the value of a specified number of shares of our common stock within 90 days following the restricted period. The restricted period for the restricted share units begins on the date of grant and expires on the date the Outside Director retires from or otherwise terminates service on the Board. During the restricted period, restricted share units may not be sold, assigned, transferred or otherwise disposed of, or mortgaged, pledged or otherwise encumbered. Outside Directors also receive additional restricted share units equivalent in value to the dividends that would have been paid to them if the restricted share units granted to them were shares of our common stock.

2010 Outside Director Compensation

The following table sets forth the compensation paid to each Outside Director in 2010 for his or her service as a director:

Name(1)	Fees Earned or Paid in Cash($)	Stock Awards ($)(2)(3)(4)	All Other Compen-sation ($)(5)	Total($)(6)
John R. Alm	85,000	140,000	0	225,000
Dennis R. Beresford	85,000	160,000	0	245,000
John F. Bergstrom	85,000	140,000	10,000	235,000
Abelardo E. Bru	85,000	140,000	3,000	228,000
Robert W. Decherd	85,000	140,000	20,000	245,000
Mae C. Jemison, M.D.	85,000	140,000	500	225,500
James M. Jenness	85,000	160,000	5,000	250,000
Nancy J. Karch	63,750	81,669	2,500	147,919
Ian C. Read	85,000	140,000	0	225,000
Linda Johnson Rice	85,000	140,000	0	225,000
Marc J. Shapiro	85,000	170,000	10,000	285,000
G. Craig Sullivan	85,000	160,000	10,000	255,000

(1) Ms. Karch joined the Board on June 16, 2010 and received a pro-rated stock award as well as fees for three quarters in 2010 for her service as a director.

(2) Amounts shown reflect the grant date fair value of those grants, determined in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718 Stock Compensation (ASC Topic 718) for restricted share unit awards granted pursuant to our Outside Directors Compensation Plan. See Note 10 to our audited consolidated financial statements included in our Annual Report on Form 10-K for 2010 for the assumptions used in valuing these restricted share units.

(3) Restricted share unit awards were granted on January 4, 2010, except for Ms. Karch, who joined the Board and received a grant on June 16, 2010. The number of restricted share units granted is set forth below.

Name	Restricted Share Units Granted in 2010(#)
John R. Alm	2,178
Dennis R. Beresford	2,490
John F. Bergstrom	2,178
Abelardo E. Bru	2,178
Robert W. Decherd	2,178
Mae C. Jemison, M.D.	2,178
James M. Jenness	2,490
Nancy J. Karch	1,300
Ian C. Read	2,178
Linda Johnson Rice	2,178
Marc J. Shapiro	2,645
G. Craig Sullivan	2,490

(4) As of December 31, 2010, Outside Directors had the following stock awards outstanding:

Name	Restricted Stock(#)	Restricted Share Units(#)	Stock Options(#)
John R. Alm	0	11,561	0
Dennis R. Beresford	0	20,159	0
John F. Bergstrom	3,000	18,047	2,745
Abelardo E. Bru	0	12,565	0
Robert W. Decherd	3,000	20,635	8,236
Mae C. Jemison, M.D.	0	18,047	5,084
James M. Jenness	0	9,873	0
Nancy J. Karch	0	1,313	0
Ian C. Read	0	7,979	0
Linda Johnson Rice	3,000	19,471	5,084
Marc J. Shapiro	0	20,521	17,924
G. Craig Sullivan	0	14,530	0

(5) All Other Compensation consists of charitable matching gifts paid in 2010 under the Kimberly-Clark Foundation s Matching Gifts Program to a charity designated by the director. This program is available to all our employees and directors. Under this program, the Kimberly-Clark Foundation matches employees and directors financial contributions to qualified educational and charitable organizations in the United States on a dollar-for-dollar basis, up to $10,000 per person per calendar year. Amounts paid in 2010 in connection with matching gifts for Mr. Decherd reflect donations made in 2009 and 2010.

(6)

During 2010, Outside Directors received credit for cash dividends on restricted stock held by them. These dividends are credited to interest bearing accounts maintained by us on behalf of those Outside Directors with restricted stock. Earnings on those accounts are not included in the Outside Director Compensation Table because the earnings were not above market or preferential. Also in 2010, Outside Directors received additional restricted share units with a value equal to the dividends paid during the year on our common stock on the restricted share units held by them. Because we factor the value of the right to receive dividends into the grant date fair value of the restricted stock and restricted share units awards, the dividends and dividend equivalents received by Outside Directors are not

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included in the Outside Director Compensation table. The dividends credited on restricted stock and additional restricted share units credited in 2010 were as follows:

Name	Dividends Credited on Restricted Stock($)	Number of Restricted Share Units Credited for Dividends in 2010(#)	Grant Date Fair Value of Restricted Share Units Credited($)
John R. Alm	0	441.59	27,785
Dennis R. Beresford	0	782.12	49,228
John F. Bergstrom	7,740	700.65	44,101
Abelardo E. Bru	0	481.70	30,311
Robert W. Decherd	7,740	804.00	50,610
Mae C. Jemison, M.D.	0	700.65	44,101
James M. Jenness	0	371.33	23,356
Nancy J. Karch	0	13.16	858
Ian C. Read	0	298.55	18,775
Linda Johnson Rice	7,740	757.49	47,681
Marc J. Shapiro	0	795.12	50,044
G. Craig Sullivan	0	557.32	35,070

Other than the cash retainer, grants of restricted share units and the other compensation previously described, no Outside Director received any compensation or perquisites from us for services as a director in 2010.

A director who is not an Outside Director does not receive any compensation for services as a member of the Board or any committee, but is reimbursed for expenses incurred as a result of the services.

2011 Compensation. In 2010, the Nominating and Corporate Governance Committee, with the assistance of Mercer, evaluated Outside Director compensation to assess whether it still met our objectives for Outside Director compensation as described above. In its assessment, the Committee compared aggregate Outside Director cash and equity compensation to the median compensation of the outside directors of our peer group, as well as the structure of the compensation programs of our peer group. For information regarding our peer group, see Part Four Other Important Information Executive Compensation Compensation Discussion and Analysis below. Based on this review, the Committee determined that aggregate cash and equity compensation is at or near the median of our peer group and recommended no change in Outside Director compensation for 2011. The Board agreed with the Committee s recommendation.

The Board of Directors unanimously recommends a vote FOR the election of the twelve nominees for director.

PROPOSAL 2. RATIFICATION OF AUDITORS

The Audit Committee of the Board of Directors has selected Deloitte & Touche LLP as the independent registered public accounting firm to audit our financial statements for 2011, subject to ratification by the stockholders. If the stockholders do not ratify the selection of Deloitte & Touche LLP, the selection of other independent auditors will be considered by the Audit Committee. Deloitte & Touche LLP have been our independent auditors since 1928.

Representatives of Deloitte & Touche LLP are expected to be present at the Annual Meeting with the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

Principal Accounting Firm Fees

The aggregate fees (excluding value added taxes) of Kimberly-Clark and our subsidiaries with respect to the fiscal years ended December 31, 2010 and 2009 by our principal accounting firm, Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu Limited and their respective affiliates (collectively, Deloitte), were:

	2010	2009
Audit Fees(1)	$ 10,314,000	$ 10,260,000
Audit-Related Fees(2)	665,000	570,000
Tax Fees(3)	2,064,000	1,288,000
All Other Fees	0	0

(1) These amounts represent fees billed or expected to be billed for professional services rendered by Deloitte for the audit of Kimberly-Clark s annual financial statements for each of the fiscal years ended December 31, 2010 and December 31, 2009, and the reviews of the financial statements included in Kimberly-Clark s Forms 10-Q and for services that are normally provided by the independent registered public accounting firm in connection with statutory or regulatory filings or engagements for each of those fiscal years. These amounts include fees for consolidated financial audits, statutory audits, comfort letters, attest services, consents, assistance with and review of SEC filings and other related matters. These amounts also include an audit of internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002.

(2) These amounts represent aggregate fees by Deloitte for assurance and related services reasonably related to the performance of the audit or review of our financial statements for the fiscal years ended December 31, 2010 and December 31, 2009, that are not included in the audit fees listed above. These services comprise engagements related to employee benefit plans, due diligence assistance and other matters.

(3) These amounts represent Deloitte s aggregate fees for tax compliance, tax advice and tax planning for each of the fiscal years ended December 31, 2010 and December 31, 2009.

Audit Committee Approval of Audit and Non-Audit Services

All audit and non-audit services provided by Deloitte to Kimberly-Clark are pre-approved by the Audit Committee using the following procedures. At the first meeting of the Audit Committee each year, our Chief Financial Officer presents a proposal, together with the related fees, to engage Deloitte for audit services. In addition, on or before the first meeting of the year, our Vice President and Controller prepares a detailed memorandum for non-audit services to be provided by Deloitte during the year. This memorandum includes the services to be provided, the estimated cost of these services, and why it is appropriate to have Deloitte provide these services, along with why the requested service is not inconsistent with applicable auditor independence rules. Before each subsequent meeting of the Audit Committee, our Vice President and Controller prepares an additional memorandum that includes updated information regarding approved services and highlights any new audit and non-audit services to be provided by Deloitte. All new non-audit services to be provided are described in individual requests for services. The Audit Committee reviews these memoranda and the individual requests for non-audit services and approves the services if acceptable to the Committee.

To ensure prompt handling of unexpected matters, the Audit Committee delegates to the Chairman of the Audit Committee the authority to amend or modify the list of audit and non-audit services and fees between meetings, as long as the additional or amended services do not affect Deloitte s independence under applicable rules. Actions taken are reported to the Audit Committee at its next Committee meeting.

All Deloitte services and fees in 2010 and 2009 were pre-approved by the Audit Committee.

The Board of Directors unanimously recommends a vote FOR ratification of this selection.

Audit Committee Report

In accordance with its written charter adopted by the Board of Directors, the Audit Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of Kimberly-Clark s accounting, auditing and financial reporting practices.

In discharging its oversight responsibility as to the audit process, the Audit Committee obtained from the independent registered public accounting firm (the auditors) a formal written statement describing all relationships between the auditors and Kimberly-Clark that might bear on the auditors independence, as required by Public Company Accounting Oversight Board (PCAOB) Rule 3526, *Communication with Audit Committees Concerning Independence*, discussed with the auditors any relationships that may impact their objectivity and independence and satisfied itself as to the auditors independence. The Audit Committee also discussed with management, the internal auditors, and the auditors, the quality and adequacy of Kimberly-Clark s internal controls and the internal audit function s organization, responsibilities, budget and staffing. The Audit Committee reviewed with both the auditors and the internal auditors their audit plans, audit scope and identification of audit risks.

The Audit Committee discussed and reviewed with the auditors all communications required by the auditing standards of the PCAOB, including those required by PCAOB AU 380, Communication with Audit Committees, and, with and without management present, discussed and reviewed the results of the auditors examination of the financial statements and Kimberly-Clark s internal control over financial reporting. The Committee also discussed the results of internal audit examinations.

The Audit Committee discussed and reviewed Kimberly-Clark s audited financial statements as of and for the fiscal year ended December 31, 2010, with management and the auditors. The Audit Committee also reviewed management s assessment of the effectiveness of internal controls as of December 31, 2010 and discussed the auditors examination of the effectiveness of Kimberly-Clark s internal control over financial reporting. Management has the responsibility for preparing Kimberly-Clark s financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) and for establishing and maintaining Kimberly-Clark s internal control over financial reporting. The auditors have the responsibility for performing an independent audit of Kimberly-Clark s financial statements and internal control over financial reporting, and expressing opinions on the conformity of Kimberly-Clark s financial statements with GAAP and the effectiveness of internal control over financial reporting.

Based on the above-mentioned review and discussions with management and the auditors, the Audit Committee recommended to the Board that Kimberly-Clark s audited financial statements be included in Kimberly-Clark s Annual Report on Form 10-K for the fiscal year ended December 31, 2010, for filing with the SEC. The Audit Committee also has selected and recommended to stockholders for ratification the reappointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2011.

AUDIT COMMITTEE OF THE
BOARD OF DIRECTORS

Dennis R. Beresford, Chairman
John R. Alm
John F. Bergstrom
Robert W. Decherd
Nancy J. Karch

Linda Johnson Rice

PROPOSAL 3. APPROVAL OF THE 2011 OUTSIDE DIRECTORS COMPENSATION PLAN

On February 18, 2011, our Board adopted the Kimberly-Clark Corporation 2011 Outside Directors Compensation Plan (the 2011 Directors Plan), subject to approval by our stockholders at the 2011 Annual Meeting. The 2011 Directors Plan renews, amends and restates our current Outside Directors Compensation Plan (the 2001 Directors Plan), which was adopted in 2001 and is scheduled to expire on December 31, 2011.

We believe that the renewal of the plan, as amended and restated, promotes the interests of Kimberly-Clark and our stockholders by enhancing our ability to attract, motivate and retain our Outside Directors. The 2011 Directors Plan is intended to permit flexibility in implementing an Outside Director compensation policy to align the Outside Directors compensation closely with the economic interests of our stockholders by use of equity based compensation awards.

The key changes in the 2011 Directors Plan from the 2001 Directors Plan are:

Name of Plan:	The 2001 Directors Plan has been renamed as the 2011 Directors Plan.
Number of Shares:	No additional share are being requested under the 2011 Directors Plan. As a result, the number of shares that may be issued under the 2011 Directors Plan is equal to the remaining unissued shares under the 2001 Directors Plan, which is approximately 655,000 shares as of February 28, 2011.
Term:	The term of the 2011 Directors Plan has been extended to April 20, 2021.
Change of Control:	The 2011 Directors Plan provides that stock options outstanding under the 2011 Directors Plan are fully exercisable if the Outside Director separates from service as a Director within the two year period following the date of a change of control of Kimberly-Clark, as defined in the 2011 Directors Plan (often referred to as a double trigger). The 2001 Directors Plan did not contain a double trigger provision. The 2011 Directors Plan increases the change of control threshold from ownership of 20 percent or more of the total number of votes that may be cast for the election of Directors of Kimberly-Clark to 30 percent (to be consistent with the 2011 Equity Participation Plan described under Proposal 4).
Re-pricings/ Cash Buyouts Prohibited:	The 2011 Directors Plan prohibits any stock option or stock appreciation right (SAR) from being re-priced, replaced, re-granted through cancellation, or modified without stockholder approval if the effect would be to reduce the exercise price for the shares underlying the option, and no stock option or SAR may be repurchased for cash at a time when the price is equal to or less than the fair market value of the underlying shares. These actions may be taken, however, subject to stockholder approval. The 2001 Directors Plan did not contain this prohibition.

The following is a summary of the basic features of the 2011 Directors Plan, which is subject to the specific provisions of the full text of the 2011 Directors Plan included in Appendix A of this proxy statement.

Plan Term

The term of the 2011 Directors Plan is ten years, ending on April 20, 2021, unless the 2011 Directors Plan is terminated before that date by the Board.

Shares to be Granted

A maximum of 1,000,000 shares of our common stock was available for grant under the 2001 Directors Plan. As of February 28, 2011, approximately 655,000 shares of common stock remained available for issuance under the 2001 Directors Plan. If approved by stockholders, these remaining shares will be available for issuance under the 2011 Directors Plan.

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Awards

Although other types of awards may be granted under the 2001 Directors Plan, currently, only restricted share units are issued. If outside director compensation practices change, the 2011 Directors Plan continues to permit the following types of awards:

Stock Options

The 2011 Directors Plan permits awards of options to acquire Kimberly-Clark common stock. The option price per share will be at least equal to the fair market value per share of Kimberly-Clark common stock at the date of grant. The option period will be 10 years from the date of grant. Payment of the option price may be made in cash, by check, or with shares of Kimberly-Clark common stock having a fair market value at the time of exercise equal to the option price. In general, no option may be exercised until one year after it has been granted, except that the 2011 Directors Plan provides that the options become exercisable in full if the Outside Director separates from service as a Director within the two year period following the date of a change of control of Kimberly-Clark, as defined in the 2011 Directors Plan.

If an Outside Director s service is terminated for any reason other than death, retirement, disability or voluntary decision by the Outside Director not to stand for reelection to the Board, the options become exercisable only for the number of shares of common stock which were exercisable on the date of such termination. If an Outside Director dies, retires, becomes disabled, or voluntarily decides not to stand for reelection to the Board without having exercised an option in full, the remaining portion of the option may be exercised within the remaining period of the option. Under no circumstances, however, will an option be exercisable beyond 10 years from the date of the grant. Options are not transferable other than by will or by the laws of descent and distribution, provided that Outside Directors have the right to transfer options, to the extent allowed and subject to the same terms and conditions applicable to options granted to the Chief Executive Officer under the current equity participation plan.

Under the 2011 Directors Plan, the Board, by written notice to an Outside Director, may limit the period in which an option may be exercised to a period ending at least three months following the date of the notice, and/or limit or eliminate the number of shares subject to option after a period ending at least three months following the date of the notice.

Stock Appreciation Rights (SARs)

SARs offer Outside Directors the right to receive payment for the difference (spread) between the exercise price of the SAR and the fair market value of Kimberly-Clark common stock at the time of redemption. The Board may authorize payment of the spread for a SAR in the form of cash, common stock to be valued at its fair market value on the date of exercise, a combination of these, or by any other method as the Board may determine. SARs are generally subject to the same limitations and restrictions regarding exercise, transfer and forfeiture as are stock options.

Restricted Shares and Restricted Share Units

The Board may award restricted shares or restricted share units to Outside Directors. The Board may determine the number of restricted shares to be granted to Outside Directors and the periods during which the shares may not be transferred. During this restricted period, the restricted shares may not be sold or transferred by the Outside Director except in the case of death. Upon expiration of the restricted period, the restricted shares will be delivered to the Outside Director free of restrictions. Outside Directors who are awarded restricted shares will be entitled to vote these shares and to receive dividends declared on these shares during the restricted period.

The Board may also determine the number of restricted share units to be granted to Outside Directors and the periods during which the units may not be transferred. Unless otherwise determined by the Board, the restricted period for restricted share units begins on the date of grant and expires on the date the recipient retires from or otherwise terminates service on the Board. During this restricted period, the restricted share units may not be sold or transferred by the Outside Director except in the case of death. Upon expiration of the restricted period, payment of restricted share units will be made in cash or shares of

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common stock as determined by the Board at the time of grant. During the restricted period, an Outside Director who is awarded restricted share units will not be entitled to vote these units but will be credited with dividend equivalents equal in value to the dividends declared and paid on Kimberly-Clark common stock which will be reinvested in restricted share units at the then fair market value of Kimberly-Clark common stock on the date dividends are paid, and these dividend equivalents will not be paid unless and until the underlying awards are paid.

Administration; Termination

The 2011 Directors Plan is administered by the Board. The Board may amend, suspend, or discontinue the 2011 Directors Plan or amend any or all awards under the 2011 Directors Plan to the extent permitted by law and the rules of any stock exchange on which Kimberly-Clark common stock is listed, provided that no action may be taken if it would result in a failure to comply with applicable provisions of the federal securities or income tax laws or constitute a re-pricing, replacing, re-granting through cancellation or modifying without stockholder approval (except as provided in Section 7 of the 2011 Directors Plan) if the effect would be to reduce the exercise price for the shares underlying the option or SAR. However, if an amendment must be approved by the stockholders pursuant to law or the rules of any stock exchange on which Kimberly-Clark common stock is listed, any such proposed amendment will be submitted to the stockholders for approval.

The Board may, by written notice to an Outside Director, limit the period during which an option may be exercised to a period ending at least three months following the date of such notice, and/or limit or eliminate the number of shares subject to option after a period ending at least three months following the notice. Except as provided in the 2011 Directors Plan, no amendment, suspension or termination of the 2011 Directors Plan will adversely alter any rights granted to an Outside Director without the Outside Director s consent.

Amendment; Expiration

Upon approval of the 2011 Directors Plan by stockholders, the Board will have the authority without further stockholder approval to further amend the 2011 Directors Plan from time to time, including amendments to increase the amount of the compensation payable in common stock from time to time, provided that the total number of shares of common stock issued under the 2011 Directors Plan may not exceed the amount previously approved by stockholders.

The authorization to issue common stock under the 2011 Directors Plan will expire on April 20, 2021, unless reapproved by stockholders. If for any reason shares cannot be issued, the value of any shares that cannot be issued will be paid in the form of cash.

Effect of Section 409A of the Code

Section 409A of the Internal Revenue Code of 1986 (the Code) imposes certain requirements applicable to nonqualified deferred compensation plans. If a nonqualified deferred compensation plan subject to Section 409A fails to meet, or is not operated in accordance with, these new requirements, then all compensation deferred under the 2011 Directors Plan may become immediately taxable. It is our intention that any agreement governing awards subject to Section 409A will comply with these rules.

U.S. Federal Tax Consequences

See Appendix B for a discussion of certain U.S. federal tax consequences regarding the 2011 Directors Plan.

Plan Benefits

See Compensation of Directors above for information concerning compensation to our Outside Directors under the 2001 Directors Plan. We do not anticipate any changes to this compensation upon adoption by the stockholders of the 2011 Directors Plan.

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The Board of Directors unanimously recommends a vote FOR approval of the 2011 Outside Directors Compensation Plan.

PROPOSAL 4. APPROVAL OF THE 2011 EQUITY PARTICIPATION PLAN

On February 18, 2011, our Board adopted the Kimberly-Clark Corporation 2011 Equity Participation Plan (the 2011 Plan), subject to approval by our stockholders at the 2011 Annual Meeting. The 2011 Plan renews, amends and restates our 2001 Equity Participation Plan (the 2001 Plan).

Our 2001 Plan expires on April 25, 2011. Our Board believes that the continuation of the plan is necessary because it enables us to attract, retain and motivate employees and officers, as well as align their interests with those of our stockholders. As a result, our Board approved the 2011 Plan, and it is submitted to our stockholders for approval.

The key changes in the 2011 Plan from the 2001 Plan are:

Name of Plan:	The 2001 Plan has been renamed as the 2011 Plan.
Number of Shares:	The 2011 Plan increases the number of shares of Kimberly-Clark common stock authorized for issuance under the 2001 Plan by 17,000,000. After taking into account the shares granted under the 2001 Plan, net of forfeitures, through February 28, 2011, as well as the approximately 3,300,000 shares we expect to grant under the 2001 Plan between March 1, 2011 and April 21, 2011, and expected forfeitures on April 23, 2011, we expect that approximately 26,800,000 shares of Kimberly-Clark common stock will be available under the 2011 Plan. The 2011 Plan provides for a maximum number of shares available for grants of restricted shares and restricted share units, performance awards settled in shares of Kimberly-Clark common stock, and all other stock-based awards settled in shares of Kimberly-Clark common stock (other than stock options and SARs). See Shares Authorized; Share Limitations.
Term:	The term of the 2011 Plan has been extended to April 20, 2021.
Vesting:	The 2011 Plan provides that an award (other than an award subject to performance goals) may not vest in whole in less than three years from the date of grant. Notwithstanding the preceding sentence, in certain limited situations such as for new hires, retirement and certain other limited situations warranting a shorter or no vesting period, as determined by the Committee, these awards may vest in whole in less than three years from the date of grant, provided that these awards do not constitute more than ten percent of the shares of Kimberly-Clark common stock covered by all awards granted in any calendar year. Awards subject to performance goals may not vest in whole in less than one year from the date of grant. See Vesting. This provision was not in the 2001 Plan.
Re-pricings/ Cash Buyouts Prohibited:	The 2011 Plan prohibits, without stockholder approval, a stock option or a SAR from being repurchased for cash at a time when the price is equal to or less than the fair market value of the underlying shares. The 2011 Plan also prohibits any option or SAR from being re-priced, replaced, re-granted through cancellation, or modified without stockholder approval if the effect would be to reduce the exercise price for the shares

underlying the option.

The 2001 Plan did not contain the prohibition on cash repurchases of underwater options and SARs but did contain the above prohibition on re-pricings, replacings, re-grantings through cancellation and modifications without stockholder approval.

Dividend Equivalents:	The 2011 Plan provides that, unless otherwise determined by the Management Development and Compensation Committee (the Committee), dividend equivalents will be paid only to the extent the underlying awards vest. This provision was not in the 2001 Plan.
Maximum Number of Shares Granted to a Participant:	Under the 2011 Plan, the maximum number of shares of common stock covered by awards which may be granted to any participant within any calendar year period cannot exceed 1,500,000 in the aggregate, except that in connection with participant s initial service, a participant may be granted awards covering up to an additional 1,500,000 shares. Notwithstanding this change, we do not anticipate any changes to our grant practices. Under the 2001 Plan, the maximum number of shares of common stock covered by awards that could be granted to any participant within any two consecutive calendar year periods could not exceed 1,500,000 in the aggregate.
Clawback Policy:	Under the 2011 Plan, the Committee may require awards with performance goals under the 2011 Plan to be subject to any policy adopted by Kimberly-Clark relating to the recovery of that award to the extent it is determined that performance goals relating to the awards were not actually achieved. This provision was not in the 2001 Plan.
Authority of CEO to Approve Scheduled Annual Grants:	The 2011 Plan provides that the Chief Executive Officer may be delegated authority by the Committee to approve scheduled annual grants of awards. Only the Committee may grant awards to participants who are subject to Section 16 of the Securities Exchange Act of 1934 (the Exchange Act), which includes our executive officers. This provision was not in the 2001 Plan.
Other Changes:	The 2011 Plan provides that, if The Wall Street Journal is not available to determine the closing price of Kimberly-Clark common stock, the Committee may use another reasonable method of valuation that complies with Section 409A of the Code. The 2011 Plan specifically expands the performance goals and provides they can include any other financial, accounting or quantitative metric determined by the Committee. The 2011 Plan specifically provides that the Committee cannot change or modify performance criteria to increase the amount payable for any employee who is or may be a covered employee as defined in Section 162(m) of the Code. The 2011 Plan provides additional administrative details regarding tandem grants, SARs, performance awards and other stock-based awards. The 2011 Plan describes how the number of shares available for awards is reduced for exercises, settlements or vestings of awards. Participants granted restricted shares or restricted share units under the 2011 Plan are no longer entitled to designate a beneficiary. Upon a participant s death the participant s rights

under the award will pass by will or the laws of descent and distribution.

The following is a summary of the basic features of the 2011 Plan, which is subject to the specific provisions of the full text of the 2011 Plan included in Appendix C of this proxy statement.

Purpose

The purpose of the 2011 Plan is to encourage ownership in Kimberly-Clark by those employees who have contributed, or are determined to be in a position to materially contribute, to our success. Equity participation plans are significant factors in attracting and retaining management talent, encouraging key

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employees to identify more closely with the interests of the stockholders and providing incentive and reward for long-term growth and performance.

As with the 2001 Plan, the 2011 Plan allows us to continue to grant stock options, SARs, restricted shares, restricted share units, performance awards and other stock-based awards.

Plan Term

The term of the 2011 Plan is for an additional ten years, ending on April 20, 2021, unless the 2011 Plan is terminated before that date by the Committee.

Administration

The 2011 Plan, if approved, will be administered by the Committee. Each member of the Committee is a Non-Employee Director within the meaning of Rule 16b-3 under the Exchange Act, an outside director within the meaning of Section 162(m) of the Code and an Independent Director. If all members of the Committee are not Disinterested Directors (as defined in the 2011 Plan), the 2011 Plan will be administered by a committee appointed by the Board of two or more directors, all of whom are Disinterested Directors.

Under the terms of the 2011 Plan, the Committee will from time to time select participants, determine the extent of participation and make all other necessary decisions and interpretations under the 2011 Plan.

The Committee may delegate its authority under the 2011 Plan, including the authority to grant awards. This delegation of authority, however, is limited as follows:

- Only the Committee may grant awards under the 2011 Plan to participants who are subject to Section 16 of the Exchange Act (which includes our executive officers).

- The maximum number of shares of common stock covered by awards to newly hired employees or to respond to special recognition or retention needs that may be granted by the Chief Executive Officer cannot exceed 200,000 in any calendar year. This 200,000 limitation does not apply to any delegation by the Committee to the Chief Executive Officer with respect to scheduled annual grants of awards (but these annual grants are subject to the other limitations on delegations of authority).

- The authority to grant awards is limited to grants by the Chief Executive Officer subject to the requirements of Section 157(c) of the Delaware General Corporation Law and no delegation may result in the disallowance of a deduction under Section 162(m).

- The Chief Executive Officer does not have the authority to grant awards to himself.

Eligibility

The participants in the 2011 Plan will be those employees who, in the opinion of the Committee, are in a position to contribute materially to the success of Kimberly-Clark or have in the past so contributed. Only employees (including officers and directors who are employees) of Kimberly-Clark and our affiliates are eligible to participate in the 2011 Plan.

Awards under the 2011 Plan will be made by the Committee, or by the Chief Executive Officer to the extent he has been delegated authority to grant awards to participants as described above. No determination has been made as to awards that may be granted under the 2011 Plan, although it is anticipated that recipients of awards will include our current executive officers. Currently, Kimberly-Clark and our affiliates have approximately 3,000 employees and officers eligible to participate in the 2011 Plan.

Because the granting of options under the 2011 Plan is at the discretion of the Committee, it is not currently possible to indicate which persons (including the persons identified in the Summary Compensation Table, all current executive officers as a group, and all employees, including current

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officers who are not executive officers, as a group) may be granted awards or options. Also, it is not currently possible to estimate the number of option shares that may be awarded. For information concerning awards granted in 2010 to our named executive officers under the 2001 Plan, which is substantially similar to the 2011 Plan, see Executive Compensation Grants of Plan Based Awards below.

During 2008, 2009 and 2010, we made awards to an average of 1,500 employees per year, covering an average of approximately 4,400,000 shares per year under our 2001 Plan. However, these amounts are not necessarily indicative of the number of participants or the number of shares that might be awarded under the proposed 2011 Plan.

Shares Authorized; Share Limitations

The 2011 Plan increases the number of shares of Kimberly-Clark common stock authorized for issuance under the 2001 Plan by 17,000,000, making the total number of shares authorized for issuance under the 2011 Plan 67,000,000. This 67,000,000 amount includes shares for awards previously granted under the 2001 Plan. After taking into account the shares granted under the 2001 Plan, net of forfeitures, through February 28, 2011, as well as the approximately 3,300,000 shares we expect to grant under the 2001 Plan between March 1, 2011 and April 21, 2011, and expected forfeitures on April 23, 2011, we expect that approximately 26,800,000 shares of Kimberly-Clark common stock will be available under the 2011 Plan on that date.

Of the shares authorized for issuance under the 2011 Plan after the Annual Meeting, all of the 67,000,000 shares is authorized for grants of options and SARs under the 2011 Plan, and not more than 23,000,000 of the 67,000,000 (which is 5,000,000 of the additional 17,000,000 shares) is authorized for grants of restricted shares and restricted share units**,** performance awards settled in shares of Kimberly-Clark common stock, and all other non-option or SAR stock-based awards settled in shares of Kimberly-Clark common stock. Of the approximately 26,800,000 shares of Kimberly-Clark common stock that will be available under the 2011 Plan, as described above, we expect that approximately 14,800,000 shares will be available for grants of restricted shares and restricted share units**,** performance awards settled in shares of Kimberly-Clark common stock, and all other non-option or SAR stock-based awards settled in shares of Kimberly-Clark common stock under the 2011 Plan.

The 2011 Plan describes how the number of shares available for awards is reduced for exercises, settlements or vestings of awards. Shares subject to stock options and SARs that become ineligible for purchase, restricted share units, performance awards and other stock-based awards that are retired through forfeiture or maturity other than those that are retired through the payment of common stock, and restricted shares that are forfeited during the restricted period due to any applicable transferability restrictions will again become available under the 2011 Plan to the extent permitted by Section 16 of the Exchange Act.

The total number of shares of Kimberly-Clark common stock available for awards under the 2011 Plan will be reduced by the maximum number of shares issued upon exercise or settlement of options and SARs granted, as well as shares retained or withheld in satisfaction of a participant s withholding. Shares that were subject to an option or SAR and were not issued upon the net settlement or net exercised of the option or SAR may not again be made available for issuance under the 2011 Plan. All other awards (except restricted share units subject to performance goals, performance awards, other stock-based awards subject to performance goals and dividend equivalents) will reduce the total number of shares available for awards under the stock award pool by the number of shares vested under the Award. Restricted share units subject to performance goals, performance awards and other stock-based awards subject to performance goals will reduce the total number of shares available for awards under the stock award pool by the target number of shares to be issued under grants of restricted share units subject to performance goals, grants of performance awards and grants of other stock-based awards, and the number of shares will then be adjusted accordingly upon actual vesting of these awards. Dividend equivalents on restricted share units, performance awards and other stock-based awards subject to

performance goals will reduce the total number of shares available for awards under the stock award pool by the number of shares of common stock vested upon vesting of the underlying award. Any award that may be settled only in cash will reduce the number of shares available for awards, including, as applicable, the stock award pool.

The maximum number of shares of common stock covered by all awards under the 2011 Plan that are granted to any participant within any calendar year period will not exceed 1,500,000 in the aggregate, except that, in connection with a participant s initial service, a participant may be granted awards covering up to an additional 1,500,000 shares.

Section 162(m)

Section 162(m) of the Code generally limits to $1,000,000 the amount that a publicly held corporation is allowed each year to deduct for the compensation paid to its chief executive officer and the three other most highly compensated officers other than the principal financial officer. However, qualified performance-based compensation is not subject to the $1,000,000 deduction limit. Awards under the 2011 Plan are designed to qualify as qualified performance-based compensation, by satisfying the following requirements: (1) the performance goals are determined by the Committee consisting solely of outside directors; (2) the material terms under which the compensation is to be paid, including examples of the performance goals, are approved by a majority of votes cast by our stockholders; and (3) if applicable, the Committee certifies that the applicable performance goals and any other material terms were satisfied before payment of any performance-based compensation is made.

Awards

All awards are expected to be evidenced by an award agreement between us and the individual participant. In the discretion of the Committee, an eligible employee may receive awards from one or more of the categories described below, and more than one award may be granted to an eligible employee.

The types of awards under the 2011 Plan include:

Stock Options

The 2011 Plan employs market value as a basis for rewarding performance through the use of incentive stock options under Section 422 of the Code (Incentive Stock Options) and stock options which are not Incentive Stock Options (Nonqualified Stock Options) to acquire Kimberly-Clark common stock. The option price per share will be at least equal to the fair market value per share of Kimberly-Clark common stock at the date of grant. The option period will be no more than 10 years from the date of grant. Options will only become exercisable (1) after specified periods of employment after grant (generally, 30 percent after the first year, 30 percent after the second year and the remaining 40 percent after the third year), (2) if earlier, upon the employee s termination of employment without cause following a change of control of Kimberly-Clark, or (3) as otherwise determined by the Committee. The 2011 Plan also provides the Committee with discretion to require performance-based standards to be met before option awards will vest. The option price, as well as any withholding tax, is payable in full in cash at the time of exercise, or at the discretion of the Committee in shares of Kimberly-Clark common stock transferable to us and having a fair market value on the transfer date equal to the amount payable to us.

If the participant terminates employment for any reason other than death, disability, retirement or without cause following a change of control of Kimberly-Clark, the then-exercisable portion of the option will only be exercisable for three months following such termination. The entire unexercised portion of the option is exercisable within three years from the date of death or disability of a participant, within five years of the date of retirement of a participant, or within the remaining period of the option, whichever is earlier, unless otherwise determined by the Committee. Under no circumstances, however, will an option be exercisable beyond 10 years from the date of the grant.

Under the 2011 Plan, the Committee, by written notice to a participant, may limit the period in which an incentive stock option may be exercised to a period ending at least three months following the date of the notice, and/or limit or eliminate the number of shares subject to an incentive stock option after a period ending at least three months following the date of the notice.

Stock Appreciation Rights (SARs)

SARs offer recipients the right to receive payment for the difference (spread) between the exercise price of the SAR and the fair market value of Kimberly-Clark common stock at the time of redemption. The Committee may authorize payment of the spread for a SAR in the form of cash, common stock to be valued at its fair market value on the date of exercise, a combination of these, or by any other method as the Committee may determine. SARs are generally subject to the same limitations and restrictions regarding exercise, transfer and forfeiture as are stock options.

Restricted Shares and Restricted Share Units

The 2011 Plan permits the Committee to award restricted shares or restricted share units to participants. The Committee may determine the number of restricted shares to be granted to participants and the periods during which the shares may not be transferred. Unless otherwise determined by the Committee, the transferability restrictions will last for a period of three to ten years from the date of grant. During this restricted period, the restricted shares may not be sold or transferred by the participant except in the case of death. Upon expiration of the restricted period, the restricted shares will be delivered to the participant free of restrictions. A participant who is awarded restricted shares will be entitled to vote these shares and to receive dividends declared on these shares during the restricted period.

The Committee may also determine the number of restricted share units to be granted to participants and the periods during which the units may not be transferred. During this restricted period, the restricted share units may not be sold or transferred by the participant except in the case of death. Upon expiration of the restricted period, payment of restricted share units will be made in cash or shares of common stock as determined by the Committee at the time of grant. During the restricted period, a participant who is awarded restricted share units will not be entitled to vote these units. Unless otherwise determined by the Committee, (i) during this restricted period participants will be credited with dividend equivalents equal in value to the dividends declared and paid on Kimberly-Clark common stock, (ii) these dividend equivalents will be reinvested in restricted share units at the then fair market value of Kimberly-Clark common stock on the date dividends are paid, and (iii) the dividend equivalents will be paid only to the extent the underlying awards vest.

Performance Awards

The 2011 Plan permits the Committee to grant performance awards to participants. Performance awards include arrangements under which the grant, issuance, retention, vesting and/or transferability of the Award are subject to performance goals and any additional conditions or terms as the Committee may designate. A performance award granted may be denominated or payable in cash, Kimberly-Clark common stock (including, without limitation, restricted shares), other securities or other awards. The performance awards denominated in shares may earn dividend equivalents; however, unless otherwise determined by the Committee, dividend equivalents for performance awards will accrue and will not be paid unless and until the underlying awards vest.

Other Stock-Based Awards

The Committee may grant other awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Kimberly-Clark common stock, as are deemed by the Committee to be consistent with the purposes of the 2011 Plan. The Committee will determine the terms and conditions of these awards.

Performance Goals

The 2011 Plan provides that specific performance goals may be established by the Committee, which, if achieved, will result in the amount of payment, or the early payment, of an award under the 2011 Plan. The performance goals may consist of one or more or any combination of the following criteria: return on invested capital, stock price, market share, sales revenue, cash flow, earnings per share, return on equity, total stockholder return, gross margin, net sales, operating profit return on sales, costs and/or such other financial, accounting or quantitative metric determined by the Committee. The performance goals may be described in terms that are related to the individual participant, to Kimberly-Clark as a whole, or to a subsidiary, division, department, region, function or business unit of Kimberly-Clark in which the participant is employed. The Committee, in its discretion, may change or modify these criteria; however, in the case of any award to any employee who is or may be a covered employee (as defined in Section 162(m) of the Code), the Committee has no discretion to increase the amount of compensation that would otherwise be due on attainment of the goal, and at all times the criteria must meet the requirements of Section 162(m) of the Code, or any successor section, to the extent applicable.

Vesting

Under the 2011 Plan, no award (other than awards subject to performance goals) may vest in whole in less than three years from the date of grant. Notwithstanding the preceding sentence, in certain situations such as for new hires, retirement, and other situations warranting a shorter or no vesting period as determined by the Committee, these awards may vest in whole in less than three years from the date of grant, provided that these awards do not constitute more than ten percent of the shares of Kimberly-Clark common stock covered by all awards granted in any calendar year period. Awards subject to performance goals may not vest in whole in less than one year from the date of grant.

Amendment of the 2011 Plan; Modifications of Awards

The 2011 Plan provides that the Committee may amend, suspend or discontinue the 2011 Plan or amend any or all awards under the 2011 Plan to the extent permitted by law, permitted by the rules of any stock exchange on which Kimberly-Clark common stock is listed, permitted under applicable provisions of the Securities Act of 1933 and the Exchange Act, and that the action would not result in the disallowance of a deduction to Kimberly-Clark under Section 162(m) of the Code. However, if an amendment must be approved by the stockholders, any such proposed amendment will be submitted to the stockholders for approval. Except as provided in the 2011 Plan, no amendment, suspension or termination of the 2011 Plan will adversely alter any rights granted a participant under the 2011 Plan.

Under the 2011 Plan, the Committee may, by written notice to a participant, (i) limit the period in which an incentive stock option may be exercised to a period ending at least three months following the date of such notice, (ii) limit or eliminate the number of shares subject to an incentive stock option after a period ending at least three months following the date of such notice, (iii) accelerate the restricted period with respect to the restricted shares, restricted share units, performance awards and other stock-based awards granted under the 2011 Plan, (iv) subject any performance-based award or any other award subject to performance goals to any policy adopted by Kimberly-Clark relating to the recovery of the award to the extent it is determined that the performance goals were not actually achieved or (v) determine whether, to what extent, and under what circumstances awards may be settled or exercised in cash, common stock, other securities or other awards, or cancelled, forfeited, or suspended, and the method by which awards may be settled, exercised, cancelled, forfeited or suspended. However, the Committee may not take any action to the extent that it would result in the disallowance of a deduction to Kimberly-Clark under Section 162(m) of the Code. Further, any restricted share units, performance awards and other stock-based awards that are required to meet the requirements of Section 409A of the Code will be settled in a manner that complies with that section. Except as provided in the 2011 Plan, no amendment, suspension, or termination of the 2011 Plan or any awards under the 2011 Plan will, without the consent of the participant, adversely alter or change any of the rights or obligations under any awards or other rights previously granted to the participant.

Re-pricings and Cash Buyouts Prohibited

Except in connection with a change in Kimberly-Clark common stock or the capitalization of Kimberly-Clark as provided in Section 17 of the 2011 Plan, no option or SAR may be re-priced, replaced, re-granted through cancellation, or modified without stockholder approval if the effect would

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be to reduce the exercise price for the shares underlying the option, and no stock option or SAR may be repurchased for cash at a time when the price is equal to or less than the fair market value of the underlying shares. The Committee may take these actions, however, subject to the approval of stockholders.

Effect of Change of Control

In the event of a Qualified Termination of Employment (as defined in the 2011 Plan) of a participant in the 2011 Plan in connection with a Change of Control of Kimberly-Clark (as defined in the 2011 Plan), all of the awards not subject to performance goals would become fully vested. Any awards subject to performance goals with a performance period starting after January 1, 2009 will vest at the average performance-based restricted share unit payout for awards for the three prior fiscal years. Unless otherwise governed by another applicable plan or agreement, such as the terms of the Executive Severance Plan, options in this event would be exercisable for the lesser of three months or the remaining term of the option. If any amounts payable under the 2011 Plan constitute a parachute payment under Section 280G of the Code, the 2011 Plan provides that the amounts will be reduced to the extent necessary to provide the participant with the greatest aggregate net after tax receipt.

The 2011 Plan provides that, if pending a change of control, the Committee determines that Kimberly-Clark common stock will cease to exist without an adequate replacement security that preserves the economic rights and positions of the participants in the 2011 Plan (for example, as a result of the failure of the acquiring company to assume outstanding grants), then all options (other than incentive stock options) and SARs will become exercisable, in a manner deemed fair and equitable by the Committee, immediately prior to the consummation of the change of control. In addition, the restrictions on all restricted stock will lapse and all restricted share units, performance awards and other stock-based awards will vest immediately prior to the consummation of the change of control and will be settled upon the change of control in cash equal to the fair market value of the restricted share units, performance awards and other stock-based awards at the time of the change of control.

Non-Transferability of Awards

During a participant s lifetime, options shall be exercisable only by that participant. Awards are not transferable other than by will or the laws of descent and distribution upon the participant s death. However, the Committee may grant to designated participants the right to transfer awards, to the extent allowed under Rule 16b-3 of the Exchange Act, subject to the terms and conditions of administrative rules approved by the Committee.

Use of Proceeds

The proceeds we receive from the sale of stock under the 2011 Plan will be used for general corporate purposes.

U.S. Federal Tax Consequences

See Appendix D for a discussion of certain U.S. federal tax consequences regarding the 2011 Plan.

Closing Quotation

The closing quotation of Kimberly-Clark common stock on February 28, 2011 was $65.90 per share.

The Board of Directors unanimously recommends a vote FOR approval of the 2011 Equity Participation Plan.

Equity Compensation Plan Information

The following table gives information about Kimberly-Clark s common stock that may be issued upon the exercise of options, warrants, and rights under all of Kimberly-Clark s equity compensation plans as of December 31, 2010.

	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (In millions) (a)	Weighted average exercise price of outstanding options, warrants, and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (In millions) (c)
Equity compensation plans approved by stockholders(1)	28.4(2)	$ 61.63	10.1
Equity compensation plans not approved by stockholders(3)	0.3(4)	$ 57.65	0.7
Total	28.7	$ 61.62	10.8

(1) Includes the 1992 Equity Participation Plan (the 1992 Plan) and the 2001 Plan. As of December 31, 2010, there were 406.9 million shares of Kimberly-Clark common stock outstanding, and the weighted average remaining term of options outstanding was 5.1 years.

(2) Includes 2.7 million restricted share units granted under the 2001 Plan (including shares that may be issued pursuant to outstanding performance-based restricted share units, assuming the target award is met; actual shares issued may vary, depending on actual performance). Upon vesting, a share of Kimberly-Clark common stock is issued for each restricted share unit. Column (b) does not take these awards into account because they do not have an exercise price.

(3) Includes the Outside Directors Compensation Plan and certain acquired equity compensation plans. See below for description of the Outside Directors Compensation Plan.

(4) Includes 0.2 million restricted share units granted under the Outside Directors Compensation Plan. Upon vesting, a share of Kimberly-Clark common stock is issued for each restricted share unit. Column (b) does not take these awards into account because they do not have an exercise price.

Outside Directors Compensation Plan

In 2001, our Board approved the Outside Directors Compensation Plan. A maximum of 1,000,000 shares of Kimberly-Clark common stock is available for grant under this plan. The Board may grant awards in the form of stock options, SARs, restricted stock, restricted share units, or any combination of cash, stock options, SARs, restricted shares or restricted share units under this plan. The Outside Directors Compensation Plan is proposed to be amended, among other things, to extend its term through April 20, 2021, subject to stockholder approval. See Proposal 3. Approval of the 2011 Outside Directors Compensation Plan.

PROPOSAL 5. ADVISORY VOTE ON EXECUTIVE COMPENSATION

In Part Four of this proxy statement, we describe in detail our executive compensation program, including its objectives, policies and components. See, Executive Compensation Compensation Discussion and Analysis. As discussed in that section, our executive compensation program seeks to align the compensation of our executives with the objectives of our Global Business Plan. To this end, the Management Development and Compensation Committee (the Committee) has adopted executive compensation policies that are designed to achieve the following objectives:

Quality of Talent. Attract and retain executives whose abilities are considered essential to our long-term success.

Pay-for-Performance. Support a performance-oriented environment that rewards achievement of our financial and non-financial goals.

Focus on Long-Term Success. Reward executives for long-term strategic management and stockholder value enhancement.

Stockholder Alignment. Align the financial interest of our executives with those of our stockholders.

For a more detailed discussion of how our executive compensation program reflects the objectives and policies, including information about the fiscal year 2010 compensation of our named executive officers, please see Executive Compensation Compensation Discussion and Analysis.

As noted above, a key focus of the Committee is pay for performance. To this end, 88 percent of our Chief Executive Officer s 2010 total annual compensation target was performance-based, and 75 percent of the other named executive officers total annual compensation target was performance-based. See Executive Compensation Compensation Discussion and Analysis Direct Annual Compensation. Additionally, the Committee follows a rigorous process that evaluates our performance versus the performance of our peer group when it approves the actual annual incentive compensation to be paid. This approach helps to ensure our compensation approach is effectively linking pay and performance.

We are asking our stockholders to indicate their support for our executive compensation as described in this proxy statement. This proposal, commonly known as a say-on-pay proposal, gives our stockholders the opportunity to express their views on our executive compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our executives and the objectives, policies and practices described in this proxy statement. Accordingly, we will ask our stockholders to vote on the following resolution at the Annual Meeting:

RESOLVED, that the compensation paid to the Corporation s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby approved by the Corporation s stockholders on an advisory basis.

The say-on-pay vote is advisory and is therefore not binding on Kimberly-Clark, the Committee or our Board. The Committee and our Board value the opinions of our stockholders and, to the extent there is any significant vote against the executive compensation as disclosed in this proxy statement, will consider our stockholders concerns, and the Committee will evaluate whether any actions are necessary to address those concerns.

The Board of Directors unanimously recommends a vote FOR the approval of our executive compensation program for our named executive officers, as disclosed in this proxy statement pursuant to the SEC s compensation disclosure rules.

PROPOSAL 6. ADVISORY VOTE ON THE FREQUENCY OF AN ADVISORY VOTE ON EXECUTIVE COMPENSATION

This proposal gives stockholders the opportunity to indicate how frequently we should seek an advisory vote on our executive compensation, such as Proposal 5 above. By voting on this Proposal 6, stockholders can indicate whether they would prefer an advisory vote on executive compensation every one, two, or three years.

After careful consideration of this proposal, our Board of Directors has determined that an advisory vote on executive compensation that occurs every one year is the most appropriate alternative for Kimberly-Clark, and therefore our Board of Directors recommends that you vote for a one-year interval for the advisory vote on executive compensation.

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In formulating its recommendation, our Board considered that an annual advisory vote on executive compensation will allow our stockholders to provide us with their direct input on our compensation objectives, policies and practices as disclosed in the proxy statement every year.

You may cast your vote on your preferred voting frequency by choosing the option of one year, two years, three years or abstain from voting when you vote in response to the resolution set forth below.

RESOLVED, that the option of every one year, two years, or three years that receives the highest number of votes cast for this resolution will be determined to be the frequency preferred by stockholders for which the Corporation is to hold an advisory stockholder vote to approve the compensation paid to the named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion.

The option of one year, two years or three years that receives the highest number of votes cast by stockholders will be the frequency for the advisory vote on executive compensation that has been selected by stockholders. However, because this vote is advisory and not binding on our Board or Kimberly-Clark in any way, our Board may decide that it is in the best interests of our stockholders and Kimberly-Clark to hold an advisory vote on executive compensation more or less frequently than the option approved by our stockholders.

The Board of Directors unanimously recommends a vote for the option of every ONE YEAR as the frequency with which stockholders are provided an advisory vote on the compensation of our named executive officers.

PART FOUR
OTHER IMPORTANT INFORMATION

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table sets forth information as of December 31, 2010 regarding the number of shares of our common stock beneficially owned by each director and nominee, by each executive officer named in Executive Compensation (collectively, the named executive officers) and by all directors, nominees and executive officers as a group.

Name	Amount and Nature of Beneficial Ownership(1)(2)(3)(4)	Percent of Class
Robert E. Abernathy	661,547(5)	*
John R. Alm	15,061(6)	*
Dennis R. Beresford	21,660	*
John F. Bergstrom	36,793(5)(7)	*
Robert W. Black	152,845(5)	*
Abelardo E. Bru	12,565	*
Mark A. Buthman	422,020(5)	*
Robert W. Decherd	61,122(5)(8)	*
Thomas J. Falk	1,993,123(5)(9)	*
Mae C. Jemison, M.D.	23,262(5)	*
James M. Jenness	9,874	*
Nancy J. Karch	1,313	*
Anthony J. Palmer	110,215(5)(10)	*
Ian C. Read	8,679	*
Linda Johnson Rice	29,855(5)(11)	*
Marc J. Shapiro	48,445(5)	*
G. Craig Sullivan	16,531(12)	*
All directors, nominees and executive officers as a group (23 persons)	4,356,023(5)(13)	1.06

* Each director, nominee and named executive officer owns less than one percent of the outstanding shares of our common stock.

(1) Except as otherwise noted, the directors, nominees and named executive officers, and the directors, nominees and executive officers as a group, have sole voting and investment power with respect to the shares listed.

(2) A portion of the shares owned by certain executive officers and directors may be held in margin accounts at brokerage firms. Under the terms of the margin account agreements, stocks and other assets held in the account may be pledged to secure margin obligations under the account. As of the date of this proxy statement, none of the executive officers or directors has any outstanding margin obligations under any of these accounts.

(3)

For each named executive officer, share amounts include restricted share units granted under our 2001 Equity Participation Plan (the 2001 Plan) as indicated below. Amounts representing performance-based restricted share units in the table below represent target levels for these awards. See Part Four Other Important Information Executive Compensation Outstanding Equity Awards for additional information regarding these grants.

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Name	Time-Vested Restricted Share Units(#)	Performance-Based Restricted Share Units(#)
Robert E. Abernathy	17,882	71,142
Robert W. Black	9,002	47,283
Mark A. Buthman	8,164	57,962
Thomas J. Falk	38,623	252,545
Anthony J. Palmer	9,270	32,707

(4) For each director who is not an officer or employee of Kimberly-Clark or any of Kimberly-Clark s subsidiaries or equity companies, share amounts include restricted share units and shares of restricted stock granted under our Outside Directors Compensation Plan. These awards are restricted and may not be transferred or sold until the Outside Director retires from or otherwise terminates service on the Board. See footnote (4) to the 2010 Outside Director Compensation table for the number of shares of restricted stock and restricted share units that the Outside Directors had outstanding as of December 31, 2010.

(5) Includes shares of common stock held by the trustee of the Kimberly-Clark Corporation 401(k) and Profit Sharing Plan (the 401(k) Profit Sharing Plan) for the benefit of, and that are attributable to, the accounts in the plans of, the named executive officers. Also includes the following shares which could be acquired within 60 days of December 31, 2010 by:

Name	Number of Shares That Could be Acquired Within 60 Days of December 31, 2010
Robert E. Abernathy	456,329
John F. Bergstrom	2,745
Robert W. Black	89,653
Mark A. Buthman	286,395
Robert W. Decherd	8,236
Thomas J. Falk	1,328,885
Mae C. Jemison, M.D.	5,084
Anthony J. Palmer	55,580
Linda Johnson Rice	5,084
Marc J. Shapiro	17,924
All directors, nominees and executive officers as a group (23 persons)	2,733,225

(6) Includes 3,500 shares held by the trustee of the supplemental 401(k) plan maintained by Mr. Alm s former employer.

(7) Includes 5,000 shares held by Bergstrom Investments L.P., a partnership of which Mr. Bergstrom and his brother are general partners and their respective children are limited partners, and of which Mr. Bergstrom shares voting control.

(8) Voting and investment power with respect to 32,250 of the shares is shared with Mr. Decherd s spouse.

(9) Includes 39,207 shares held by TKM, Ltd. and 321,837 shares held by TKM II, Ltd. TKM, Ltd. is a family limited partnership which is owned by (i) an entity owned by a trust, controlled by Mr. Falk and his spouse as general partner, (ii) a trust controlled by Mr. Falk and his spouse as limited partners, and (iii) two family trusts previously established for the benefit of Mr. Falk s child as limited partners. TKM II, Ltd. is a family limited partnership which is owned by (i) an entity owned by a trust, controlled by Mr. Falk and his spouse as general partner, and (ii) a trust controlled by Mr. Falk and his spouse as limited partners. Mr. Falk shares voting control over the shares held by TKM, Ltd. and TKM II, Ltd. TKM, Ltd. also has the right to acquire 33,775 shares within 60 days of December 31, 2010. These 33,775 shares are included in the 1,328,885 shares listed for Mr. Falk in footnote (5) above.

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(10) Does not include 2,586 phantom stock units held by Mr. Palmer in the Kimberly-Clark Corporation Supplemental Retirement 401(k) and Profit Sharing Plan (the Supplemental 401(k) Plan). For a detailed description of the Supplemental 401(k) Plan, See Part Four Nonqualified Deferred Compensation Overview of Qualified and Non-Qualified Plans.

(11) Includes 300 shares held by a trust for the benefit of Ms. Johnson Rice s daughter and for which Ms. Johnson Rice serves as a co-trustee and shares voting and investment power.

(12) Includes 2,000 shares held by a trust for the benefit of Mr. Sullivan s children and for which Mr. Sullivan serves as the sole trustee.

(13) Voting and investment power with respect to 437,794 of the shares is shared.

To further align management s financial interests with those of the stockholders, we maintain stock ownership guidelines for key managers, including our named executive officers. See Part Four Other Important Information Executive Compensation Compensation Discussion and Analysis Additional Compensation Information Target Stock Ownership Guidelines.

In addition, our Corporate Governance Policies provide that, within three years of joining the Board, all Outside Directors should own an amount of our common stock or share units at least equal in value to three times the annual Board cash compensation. For the purpose of these stock ownership guidelines, a director is deemed to own beneficially-owned shares, as well as restricted stock and restricted share units (whether or not any applicable restrictions have lapsed), but not stock options (whether vested or unvested). As of December 31, 2010, the stock ownership levels specified by these guidelines had been met or exceeded by each of the Outside Directors, other than Ms. Karch who was elected to the Board in June 2010.

The following table sets forth the information, as of December 31, 2010, regarding persons or groups known to us to be beneficial owners of more than five percent of our common stock.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percentage of Common Stock Outstanding
BlackRock, Inc.(1) 40 East 52nd Street New York, NY 10022	24,795,532	6.08

(1) The address and number of shares of our common stock beneficially owned by BlackRock, Inc. are based on the Schedule 13G filed by BlackRock, Inc. with the SEC on February 7, 2011. According to the filing, BlackRock, Inc. had sole voting and dispositive power with respect to 24,795,532 shares, and did not have shared voting or dispositive power as to any shares.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis (CD&A) is intended to provide investors with an understanding of our compensation policies and decisions regarding compensation for our named executive officers for 2010. Our named executive officers are our Chief Executive Officer, Chief Financial Officer and our three other most highly compensated executive officers.

We will first provide a brief Executive Summary of this CD&A section. We will then discuss and analyze the following topics in this CD&A:

Executive Summary

The Management Development and Compensation Committee of our Board (the Committee) authorized an executive compensation program in 2010 that is designed to achieve our executive compensation objectives described below. The principal elements of that program include a base salary, an annual cash incentive and an annual grant of long-term equity incentives. Consistent with our pay-for-performance objective, a significant portion of the 2010 annual cash compensation and long-term equity incentive compensation for our named executive officers was performance-based.

Committee Assessment of 2010 Performance. With respect to 2010 performance, the Committee concluded that:

- management underdelivered 2010 financial targets, and

- 2010 presented a challenging environment, where management effectively leveraged financial and cost discipline and invested for our future growth and long term success.

Because the Committee concluded that performance was below target, the Committee approved annual cash incentives below the target amount. The Committee believes that management continues to build the foundation for long term performance through continued implementation of our Global Business Plan, which the Committee and management believe to be strategically sound.

Pay-for-Performance Analysis. As part of the Committee s pay-for-performance review, the Committee considered our performance relative to our peer group, including revenue, earnings per share (EPS), return on invested capital (ROIC) in 2008 and 2009, and operating profit return on sales (OPROS) in 2010, which were the corporate performance factors of the annual cash incentives for those years. For information on these measures, see Annual Cash Incentives. As shown below, our performance relative to our peer group is tracked and evaluated on a quartile basis, which is then reviewed with information on our corporate key financial goal payout and CEO annual incentive payout relative to the 100 percent target. Under this approach, performance in the first or second quartile generally warrants above target payouts, and performance in the third and fourth quartile generally warrants below target payouts. The Committee believes the analysis below for 2008, 2009 and 2010 demonstrates that our pay-for-performance approach is highly effective in linking pay and performance.

* Kimberly-Clark s amounts are adjusted. See page 41 of our 2009 proxy statement and Annual Cash Compensation Annual Cash Incentives below for a discussion of these adjustments. Because full-year data were not available for all peer group companies as of January 2011, 2010 results represent first through third quarter 2010 data compared to first through third quarter 2009 data (for peer group companies in which full-year data are not available); otherwise, 2010 results represent full-year result 2010 data compared to full-year result 2009 data.

The following chart illustrates pay for performance over the last five years, comparing the five-year cumulative return of our stock to the Chief Executive Officer s target direct annual compensation and actual comprehensive direct compensation (as defined below). The target direct annual compensation levels for the Chief Executive Officer are compared to the median of our peer group, as described in more detail below. The aggregate amount of his actual comprehensive direct compensation is based on our performance and reflects actual and projected payouts of long-term equity incentive grants, which the Committee believes should be analyzed when reviewing target direct annual compensation levels (given that target levels, when set by the Committee, reflect our anticipated, rather than actual, performance). The Committee sets performance targets to encourage our long-term growth; the chart below

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demonstrates that the Chief Executive Officer s actual compensation tracks our cumulative total return of our stock over the five-year period.

* Chief Executive Officer actual comprehensive direct compensation includes annualized base salary for the year, actual annual cash incentive paid with respect to the year, gains received from option exercises or the in-the-money value of stock options outstanding (based on the closing price of our common stock on December 31, 2010 of $63.04 per share) reflected in the year the option was granted, value realized from vestings of time-vested and performance-based restricted share units reflected in the year the units were granted, and projected vesting value from unvested time-vested and performance-based restricted share units reflected in the year the units were granted (based on the closing price of our common stock on December 31, 2010 of $63.04 per share and assuming the projected vesting values set forth in Vesting Levels of Outstanding Performance-Based Restricted Share Units). Actual comprehensive direct compensation does not include the value of dividends and dividend equivalents.

Other Key Features of Executive Compensation Program. As part of the Committee s ongoing review of our executive compensation program in comparison to developing trends, as well as in response to economic conditions, several changes have been implemented to our executive compensation program in recent years, including:

dividend equivalents are not paid on unvested performance-based restricted share units granted to our named executive officers as of February 2009 and thereafter; instead, dividend equivalents on these units are accumulated and will be paid in additional shares after the performance-based restricted share units vest, based on the actual number of shares that vest,

executive officers no longer receive tax reimbursement and a related gross-up for perquisites (including personal use of corporate aircraft), except for certain relocation benefits,

personal use of corporate aircraft by the Chief Executive Officer is limited to an aggregate annual incremental cost to Kimberly-Clark of $100,000, and personal use of corporate aircraft by other executive officers is generally prohibited unless there is no incremental cost to Kimberly-Clark for the use, and

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compensation and benefit service is no longer accrued under our defined benefit pension plans for our named executive officers, as well as most of our U.S. employees, for plan years after 2009. These employees participate in our 401(k) Profit Sharing Plan and Supplemental 401(k) Plan, which have a profit sharing contribution based on our profit performance.

The Committee believes these measures to be appropriate in light of evolving executive compensation practices, while still providing a competitive compensation package to our executive officers.

Executive Compensation Objectives and Policies

The Committee is responsible for establishing and administering our policies governing the compensation of our elected officers, including our named executive officers. Consistent with its charter, the Committee has adopted executive compensation policies that are designed to achieve the following objectives:

Quality of Talent. Attract and retain executives whose abilities are considered essential to our long-term success.

Pay-for-Performance. Support a performance-oriented environment that rewards achievement of our financial and non-financial goals.

Focus on Long-Term Success. Reward executives for long-term strategic management and stockholder value enhancement.

Stockholder Alignment. Align the financial interest of our executives with those of stockholders.

These compensation objectives and policies seek to align the compensation of our elected officers, including our named executive officers, with the objectives of our Global Business Plan. Our Global Business Plan, established by our senior management and the Board, is designed to make Kimberly-Clark a stronger and more competitive company and to increase our total return to stockholders.

Elements of Executive Compensation Program

For 2010, the Committee authorized an executive compensation program to effect these objectives. The following table provides additional information regarding how the program is designed to achieve these objectives:

Element	Objectives	Purpose	Target Competitive Position
Base salary	Pay-for-performance Quality of talent	Provide annual cash income based on: level of responsibility, performance and experience comparison to market pay information	Compared to median of peer group Actual base salary will vary based on the individual s performance and experience in the position
Annual cash incentive	Pay-for-performance	Motivate and reward achievement of the following annual performance goals:	Target compared to median of peer group

	corporate key financial goals other corporate financial and strategic performance goals performance of the business unit or staff function of the individual, as applicable	Actual payout will vary based on actual corporate and business unit or staff function performance

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Element	Objectives	Purpose	Target Competitive Position
Long-term equity incentive	Stockholder alignment Focus on long-term success Pay-for-performance Quality of talent	Provide an incentive to deliver stockholder value and to achieve our long-term objectives, through awards of: performance-based restricted share units stock option grants Time-vested restricted share units may be granted from time to time for retention or other purposes	Target compared to median of peer group Actual payout of performance-based restricted share units will vary based on actual corporate performance Actual payout will also vary based on actual stock performance
Retirement benefits	Quality of talent	Provide competitive retirement plan benefits through pension plans, 401(k) plan and other defined contribution plans	Benefits comparable to those of peer group
Perquisites	Quality of talent	Provide minimal additional benefits	Subject to review and approval by the Committee on a case-by-case basis
Post-termination compensation (severance and change of control)	Quality of talent	Encourage attraction and retention of executives critical to our long-term success and competitiveness: Severance Pay Plan, which provides eligible employees with payments and benefits in the event of certain involuntary terminations Executive Severance Plan, which provides executives payments in the event of a qualified separation of service following a change of control	Subject to review and approval by the Committee on a case-by-case basis

When setting compensation for our executive officers, the Committee considers direct annual compensation, which consists of the base salary, annual cash incentive, and long-term equity incentive compensation elements described above. While the Committee reviews each of these compensation elements, the Committee s decisions regarding a particular element are not necessarily impacted by other elements, other than to the extent that they affect direct annual compensation. See Direct Annual Compensation.

Peer Group for Executive Compensation Purposes

To ensure that our compensation programs are reasonable and competitive in the marketplace, the Committee compared our programs to those at other companies. To facilitate this comparison, in 2010 the Committee used, with respect to our named executive officers, a peer group consisting of the following Consumer Goods companies:

Consumer Goods Peer Group

Avon Products, Inc.	General Mills, Inc.	Novartis AG
Bristol-Myers Squibb Company	The Hershey Company	PepsiCo, Inc.
Campbell Soup Company	H.J. Heinz Company	Pfizer Inc.
The Clorox Company	Johnson & Johnson	The Procter & Gamble Company
The Coca-Cola Company	Kellogg Company	Sara Lee Corporation
Colgate-Palmolive Company	Kraft Foods, Inc.	
ConAgra Foods, Inc.	Newell Rubbermaid Inc.	

The peer group is developed without consideration of individual company compensation practices, and no company has been included or excluded from our peer group because it is known to pay above-average or below-average compensation. The Committee and compensation consultants retained by the Committee and us also annually review the peer group, and the peer group is revised as appropriate to ensure that it continues to represent similar global organizations with which we compete for executive talent in the marketplace. Other than the removal of Anheuser-Busch Companies, Inc., which was acquired, there were no changes in the composition of the Consumer Goods peer group from 2009 prior to our analysis regarding 2010 compensation.

The following table sets forth comparative data regarding the peer group, at the time our 2010 compensation and performance objectives were determined:

	Median Annual Revenue	**Range of Individual Company Revenues**
Consumer Goods Peer Group	$14.7 billion	$5.1 billion to $79.0 billion

Our net sales for 2009 (which is provided for comparison purposes for the above amounts) were $19.1 billion.

Direct Annual Compensation

In setting 2010 compensation for our executive officers, including our Chief Executive Officer, the Committee focused on direct annual compensation, which consists of annual cash compensation (base salary and annual cash incentive) and long-term equity incentive compensation (performance-based restricted share units and stock options, but excluding retention grants of time-vested restricted share units). The Committee considered annual cash and long-term equity incentive compensation both separately and as a package to help ensure that our executive compensation objectives are met.

Consistent with its approach to direct annual compensation, the Committee established 2010 direct annual compensation targets for each of our named executive officers. These target amounts formed the basis for the Committee s compensation decisions in 2010, and the Committee believes that the 2010 target amounts it established were appropriate and consistent with our executive compensation objectives. For 2010, the direct annual compensation targets (excluding retention grants of time-vested restricted share units made during the year, as applicable) for our named executive officers were as follows:

Name	**2010 Direct Annual Compensation Target**
Thomas J. Falk	$ 10,750,000
Mark A. Buthman	$ 2,941,250
Robert E. Abernathy	$ 3,187,500
Robert W. Black	$ 2,510,000
Anthony J. Palmer	$ 1,821,250

These 2010 direct annual compensation target amounts differ from the amounts set forth in the Summary Compensation Table because:

Base salaries are adjusted on April 1 of each year, while the Summary Compensation Table includes salaries for the calendar year.

Annual cash incentive compensation is included at the target level, while the Summary Compensation Table reflects the actual amount earned for 2010.

As described below under Long-Term Equity Incentive Compensation Stock Option Awards, for compensation purposes the Committee values stock options differently than the way they are required to be reflected in the Summary Compensation Table. In addition, retention grants of time-vested restricted share units are not included in the amounts above.

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In setting direct annual compensation targets, the Committee does not include increases in pension or deferred compensation earnings or other compensation, while those amounts are required to be included in the Summary Compensation Table.

As shown in the following charts, performance-based compensation (annual cash incentive, performance-based restricted share units and stock options) constituted a significant portion of our named executive officers direct annual compensation targets. Similarly, a large percentage of the direct compensation targets was in the form of equity (performance-based restricted share units and stock options).